

22-
HA 2332

Port Washington Marina

22-
HA 2332

3

1 of

1974 - 1993

22-
HA 2332

22-
HA 2332

Application and Lease No

HA 2332

To Re-Lease Harbor Area

District Se. Puget Sound

APPLICANT Darwin Leroy Snow

Lands in Kitsap County

Date Filed 10/12/74

Description

Fronting Portion Grov Lot 2

Sec 11

Twp 24

N. Range 1 E W.M.

LESSEE

NAME AND ADDRESS

Phone 572 5707 Darwin - ((503) 368 5733 - oregon)

ENCUMBRANCES

Re-lease noted & coded 4-30-75

Assignment to Sharon E. Snow Noted & Coded 2-28-76

Assignment to Sea Gate, Inc. Noted & Coded 8-19-76

Address change Code revised (Value + Rent) 8-3-79 Revised 2-15-80

Loan Sec. Assign. coded 9-21-81

Assignment noted & coded 11-24-81

Address change 9-10-82

Lease (to expire 7-31-2023) noted 8-10-92 (p. 2)

P00 7082399

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		
Sea Gate Inc.		
STREET AND NO.		
803 Dwight		
P.O., STATE AND ZIP CODE		
Port Orchard, WA 98366		
POSTAGE		
\$		
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	\$
	SPECIAL DELIVERY	\$
	RESTRICTED DELIVERY	\$
	OPTIONAL SERVICES	
	RETURN RECEIPT SERVICE	
SHOW TO WHOM AND DATE DELIVERED		\$
SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		\$
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		\$
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		\$
TOTAL POSTAGE AND FEES		\$
POSTMARK OR DATE		

PS Form 3800, Apr. 1976

APPLICATION

Reg

T.B.

INSTRUMENT

Reg

T.B.

APPLICATION

Reg

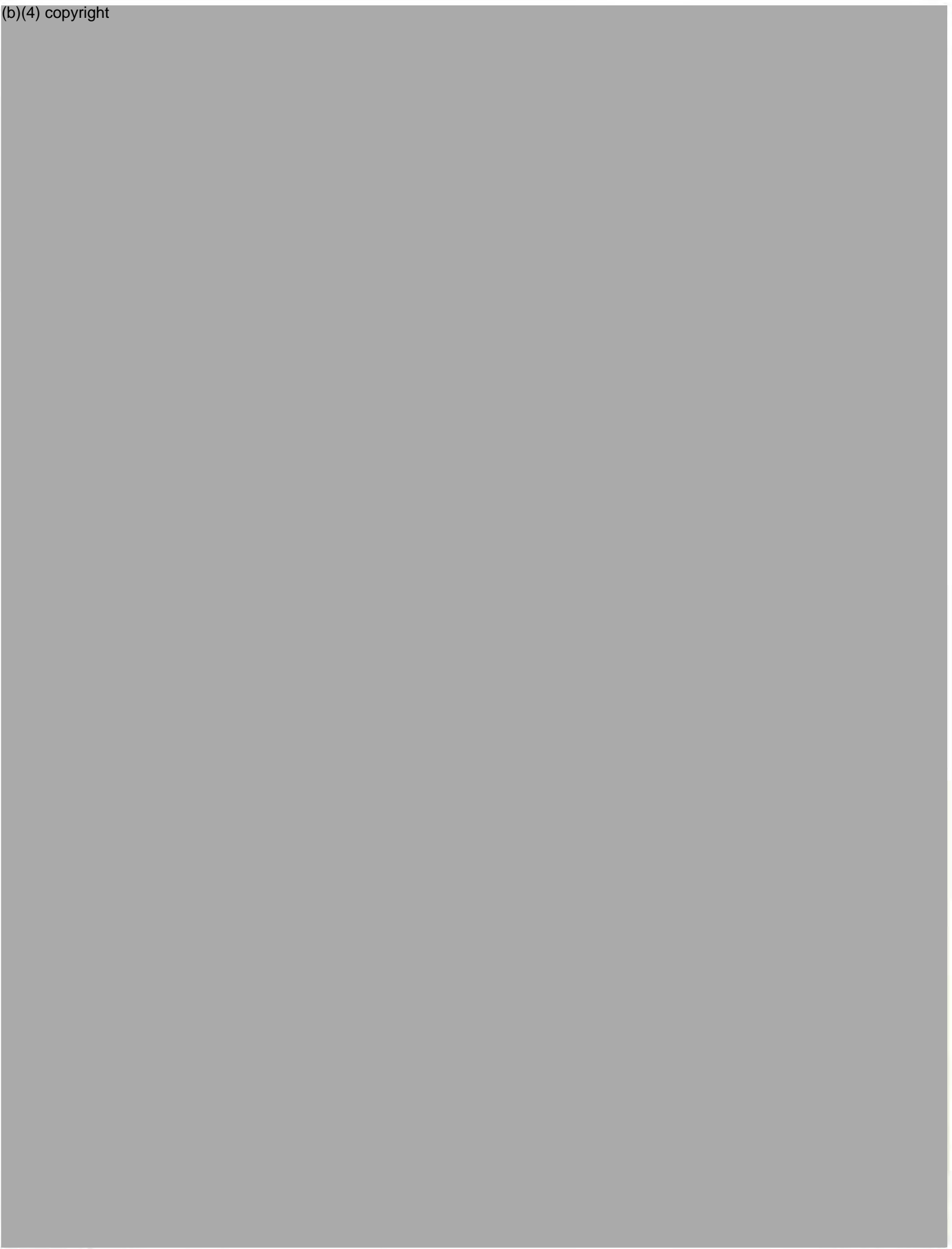
T.B.

INSTRUMENT

Reg

T.B.

Abstract
10-21-74



JACK T. CHAMPION
1214 WARREN AVE. N.
SEATTLE, WA 98109
285-0421

JACK T. CHAMPION
1214 WARREN AVE. N.
SEATTLE, WA 98109
285-0421

FILE # 22652/11

JAN 14 1985

JACK T. CHAMPION
1214 WARREN AVE. N.
SEATTLE, WA 98109
285-0421

Print # 22652 / 3

JAN 14 1986

July 2 1985



July 2, 1985





7 21

WINTER- 93



7 21 '88



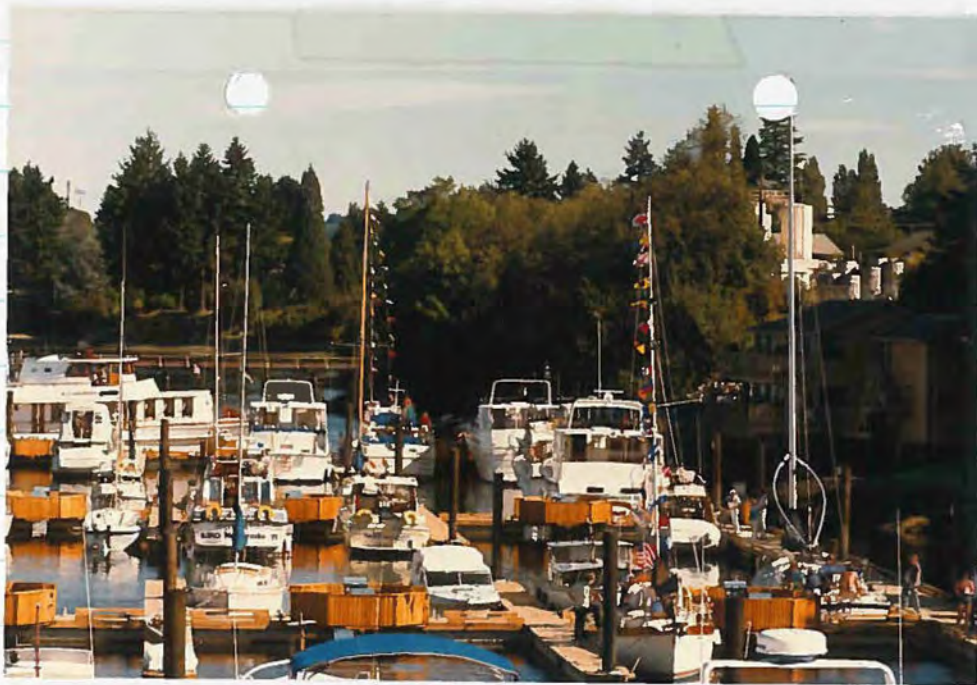
WINTER- 93



7 21 '88







1984?

Photo taken 4/16/81 TWR

HA 2399





Photos taken
4/16/01
TJR

HA 2332
f

HA 2356





Photos taken
4/16/81
TJR

HA 2332
f

HA 2396



Photos taken
4/16/01
TUR

HA 2332
f

HA 2396





Photos taken
4/16/01
TAR

HA 2332
f

HA 2396



PHOTOGRAPHS OF INSPECTIONS

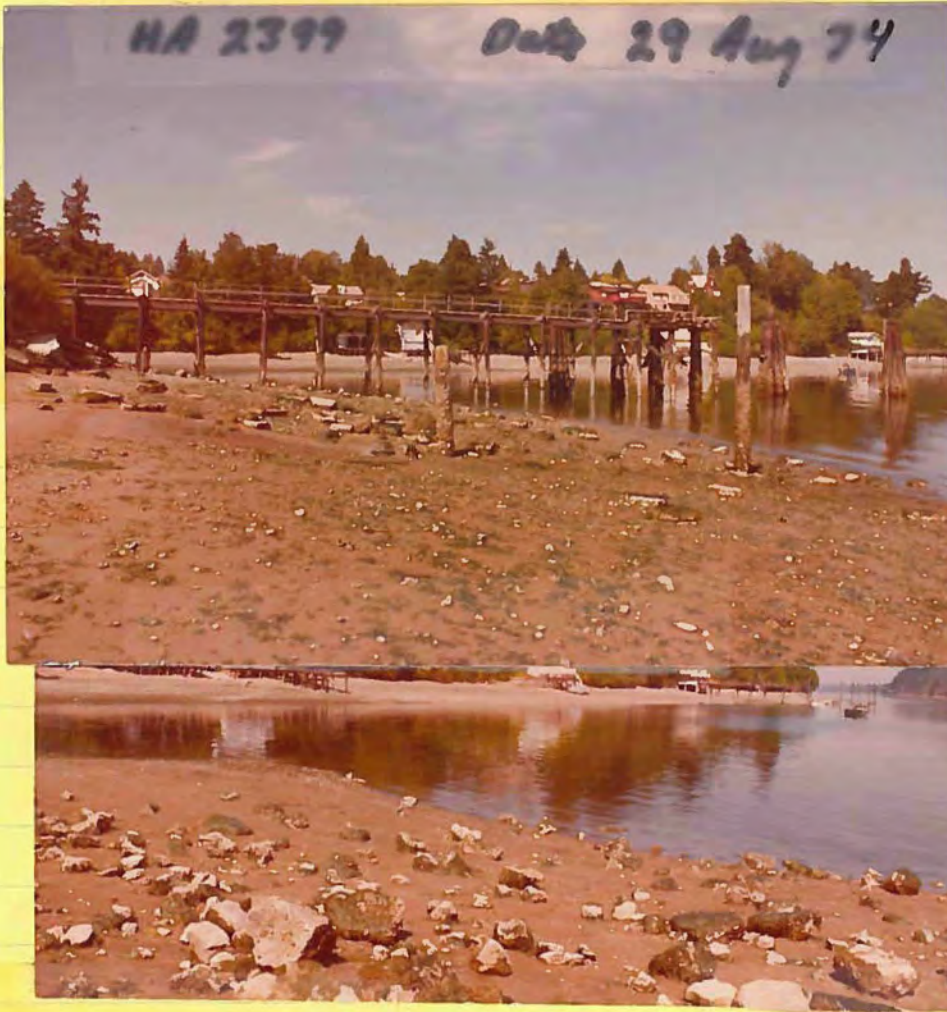
HA2332

APPLICATION No. : 2523

NAME: _____

DATE: 3/20/80 ^{Approx.} 1:30 PM





Looking West



Bremerton- Washington Narrows (Looking East)
HA - 2332 Take 8/74



Looking West



Bremerton- Washington Narrows (Looking East)

Routing Slip

Lease No. PORT WASHINGTON MARINA
 Lease Name CONDOMINIUM ASSOCIATION
22-002332

☒ NEW LEASE ☐ RE-LEASE
☐ ASSIGNMENT ☐ AMENDMENT

Int.	Date	
		1 WP Aletta, Clara, Diana
<u>BBP</u>	<u>05-07-93</u>	2 LM Larry Kathy Terry
		James Brad Celia
		Todd Darrel
		Fred Sheryl Gene
		Steve J. Steve H.
<u>DB</u>	<u>5-10-93</u>	3 SM - See DAN if you have Q?o
<u>SD</u>	<u>5/24/93</u>	WP
<u>BBP</u>	<u>6-02-93</u>	LM
<u>CAF</u>	<u>6/11/93</u>	6 WP

Document Review

<u>BBP</u>	<u>6-8-93</u>	LM
<u>BBP</u>	<u>6-8-93</u>	SM
<u>ACE</u>		9 ADM
		10 DM
<u>CAF</u>	<u>6/24/93</u>	11 WP - Corrected documents sent 7-14-93

Return of Signed

Doc. ☒ Letter ☐ Bonds ☒ INS ☒

☒ 12 WP
☒ 13 LM
☒ 14 SM
☒ 15 ADM
☒ 16 DM (OR Ex. Mgt.) Supervisor
☒ 17 Notary
☒ 18 WP
☒ 19 LM
☒ 8-10-93 20 Plates
☐ 21 LM

Rent = Paid from Sorrow
 Bond = Bond set from Bond Co
 INS = Certificates being updated

Rejection

	LM
	WP
	SM
	ADM
	DM
	WP
	Plates



Memorandum

To Ann Reiter name location
From Ron Teissere name location
Subject Lease Documents Date 7/29/93

The attached documents need to go to Pat, then to Kaleen for signature. The lessee has an IRS and Title company deadline of August 1, 1993.

We would appreciate your assistance in moving these documents through the system. Thanks
Ron

RES 35-2503 (6-86)
7540 - RES - 013



Memorandum

To Ann Esko name location
From Don Barth name location
Subject Port Washington Harrows Condominium Assoc Date 7-27-93

Here are the signed Lessees from (b) (6)
Please review okay, initial and have Ron T. do the same.
Then to Pat Mc Elroy for Kaleen's signature.
Need to get Supervisor to sign on Friday 7-30-93 so
we can have a signed lease, recordable document so the Association
can satisfy IRS and Title Co Escrow officer by Aug 1, 1993

RES 35-2503 (6-86)
7540 - RES - 013

MEMORANDUM

TO DAN BARTH, ~~AND MORGAN~~
(Name) (Location)
FROM BRAD FRUIT
(Name) (Location)
SUBJECT PORT WASHINGTON NARROWS MARINA DATE 07-14-93
22002332, 22002396, 22002399.

RE-
FOR APPROVAL

THIS LEASE HAS ALREADY BEEN APPROVED BY ALL. THE LESSEE NEEDS A 30 YEAR LEASE FROM THE CLOSING OF A LAND TRANSACTION. THAT CLOSING DATE IS AUGUST 1, 1993. I HAVE ADJUSTED THE COMMENCEMENT DATE OF THIS NEW LEASE TO REFLECT THAT DATE, AND THE THREE AMENDMENTS TO END THE OTHER CONNECTED LEASES ON JULY 31, 1993. THESE ARE THE ONLY CHANGES.

SEE THE LETTER DATED JULY 6, 1993 FROM

(b) (6)

* THE LESSEE ~~AND MORGAN~~ NEEDS THIS CHANGE AS SOON AS POSSIBLE TO CLOSE THE LAND TRANSACTION BY AUGUST 1, 1993 *

MEMORANDUM

TO : THE ATTORNEY GENERAL
FROM : THE ATTORNEY GENERAL
SUBJECT: [Illegible]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

[Illegible text]

X
X

New Lease

Re-Lease

Assignment

Amendment

Other: Amendment (cancellation of 22-002332, 22-002396, 22-002399)

DEPARTMENT OF NATURAL RESOURCES
EXECUTIVE MANAGEMENT ROUTING SLIP

Document No. 22-002332

ROUTE TO:

Dan Barth, Ann C. Essko, Ann J. Morgan

DATE:

July 27
June 8, 1993

Pat McCleary Kaleen Cottingham

REQUESTED BY:

Brad Pruitt

ACTION REQUESTED:

Approval ~~X~~

Signature

X

DATE NEEDED:

Time: N/A

COMMENTS:

The Port Washington Marina, a leasehold condominium, run by Port Washington Condominium Owner's Association, wants to combine three (3) adjacent leases into one lease with a term of 30 years. They also want to add additional area to provide for ingress and egress. The Association is our lessee in connection with all three leases (22-002332, 22-002396, and 22-002399). The three leases will be cancelled by amending the terms, and then a new lease will be established under No. 22-002332 for the entire area. The leased area contains both water-dependent and nonwater-dependent uses.

RETURN TO:

Brad Pruitt

SUMMARY AND BACKGROUND INFORMATION:

Lease No. 22-002332 - DNR's original lessee was (b) (6) The lease commenced November 1, 1974, and the end date is November 1, 2004. On January 28, 1976, the lease was involuntarily assigned to (b) (6) because (b) (6) had failed to make property and rental payments. On August 4, 1976

EXECUTIVE MANAGEMENT ROUTING SLIP

PAGE 2

June 8, 1993

SUMMARY AND BACKGROUND INFORMATION (continued):

the lease was assigned to Sea Gate, Inc., then assigned to Sea Brim, Inc., on September 14, 1981, then assigned to Port Washington Properties on June 13, 1983, and finally assigned to Port Washington Condominium Owner's Association on December 14, 1983. DNR also approved the leasehold condominium in the December 1983 assignment.

Lease No. 22-002399 - DNR's original lessee was (b) (6) The lease commencement date was May 7, 1976 and termination date was May 7, 1986. On May 23, 1983, the term of the lease was amended by adjusting the termination date to November 1, 2004. On June 13, 1983, the lease was assigned to Port Washington Properties, Inc., and finally assigned to Port Washington Condominium Owner's Association on December 14, 1983. DNR also approved the leasehold condominium in the December 1983 assignment.

Lease No. 22-002396 - DNR's original lessee was Sea Gate, Inc. The lease commencement date was November 1, 1976 and termination date is November 1, 2004. On September 14, 1981 the lease was assigned to Sea Brim, Inc. On June 13, 1983, the lease was again assigned to Port Washington Properties, Inc., and then finally assigned to Port Washington Condominium Owner's Association on December 14, 1983. DNR also approved the leasehold condominium in the December 1983 assignment.

All three leases are currently in "good standing."

All loan security agreements are satisfied (expired or released).

ISSUES:

The marina is not located on or near any site listed on the Department of Ecology's Affected Media and Contaminants Report. This report includes the

EXECUTIVE MANAGEMENT ROUTING SLIP

PAGE 3

June 8, 1993

ISSUES (continued):

National Priorities List and State Confirmed and Potential Hazardous Substance Sites List.

Nonwater-dependent portions of the lease are used for parking, marina offices, restrooms, and a caretaker's residence. The residence, located on a filled portion of the Harbor Area, has existed since the 1930s and is a necessary component of the marina (caretakers residence).

Residence within the Harbor Area: WAC 332-30-115(4), "New residential uses will not be permitted to locate in Harbor Areas." This restriction on new leases differentiates residential uses from interim uses. Existing residential uses may be asked to yield to other uses when the lease expires. Proposed renewals of residential uses will require the same analysis as specified for interim uses. Subsection (5) Interim Uses states, "Interim uses are all uses other than water-dependent commerce, existing water oriented commerce, public access facilities and residential uses." Interim uses do not require water front locations in order to properly function. Leases may only be issued and reissued for interim uses in exceptional circumstances and when compatible with water-dependent commerce existing in or planned for the area.

WAC 332-30-137 identifies what is an exceptional circumstance and when is the use compatible with water-dependent uses. Specific to this situation the following is applicable:

WAC 332-30-137(1) Exceptional Circumstances. The following are exceptional circumstances when nonwater-dependent uses may be allowed:

- (c) Nonwater-dependent uses in structures constructed, or on sites filled, prior to June 30, 1985.

EXECUTIVE MANAGEMENT ROUTING SLIP

PAGE 4

June 8, 1993

ISSUES (continued):

WAC 332-30-137(2) compatibility with water-dependent uses.

(b) The effect on the usefulness of adjacent areas for water-dependent uses.

(c) The probability of attracting additional water-dependent or nonwater-dependent uses.

I believe a reasonable person would not argue the fact that this residential use (caretaker residence) existed on the site, and the site was filled prior to June 30, 1985. Also, the security the residence provides the marina satisfies criteria (b) and (c) above. Presence of the residence used to house a caretaker inside the Harbor Area is acceptable according to statute.

CONTROVERSY: None

PRECEDENTS:

The bond is greater than two times the annual rent in order to cover the cost of removing improvements.

ANYTHING ELSE:

The lessee is requesting a term of 30 years to amortize a business loan associated with the marina.

Additionally, as a result of a surveyor's error at the time of reconstruction (1983), the marina extends over the Outer Harbor Line. The widest point of the extension is 17.6 feet, and amounts to approximately 3,514 square feet.

EXECUTIVE MANAGEMENT ROUTING SLIP

EXECUTIVE MANAGEMENT ROUTING SLIP

PAGE 5

June 7, 1993

ANYTHING ELSE: (continued)

The encroachment is the shape of a long narrow wedge approximately 398 feet long. The lessee intends to apply to the Harbor Line Commission to adjust the harbor line in the near future. This new lease document does not authorize any improvements outside of the Harbor Area.

Reference Codes: 22-002332, 22-002396 and 22-002399
1o5/bp/220 02332.grd

CHECKLIST FOR DOCUMENT REVIEW

0/2
DNR

Y N

FILE FOLDER

5-FILE FOLDER?

ALL ITEMS CORRECTLY FILED?

PHOTOS OF AREA ATTACHED INSIDE FRONT COVER?

ON-SITE VISIT?

RENTAL/FEE WORKSHEET?

PERMITS: CORPS, SHORELINE, SEPA, HPA, NPDES (NOTE IF NOT NEEDED)?

SHORELINE ATLAS?

BUILT BEFORE HPA REQ.

DOCUMENT DRAFT

PROPER LEASE/DOCUMENT FOR ALLOWED USE?

FULL NUMBER, I.E. 22-001234?

IF LIEU-LEASE OR CANCELLATION, DOES OPENING SENTENCE MAKE REFERENCE?

LESSEE/GRANTEE NAME AS REQUESTED ON APPLICATION?

LEGAL DESCRIPTION IS FOR THE AREA ENCUMBERED?

TOWNSHIP-RANGE-SECTION INCLUDED?

AQUATIC LAND CLASS? (TIDE, SHORE, BED, HARBOR AREA)

IF FIRST CLASS, PLATTED OR UNPLATTED?

BED OF NAVIGABLE WATERS OF PORT WASH HARBOR (BODY OF WATER)?

COMPLETE METES AND BOUNDS?

"COMPRISING 4.06 ACRES" OR SQUARE FEET?

AS SHOWN ON EXHIBIT A, OUTLINED IN [REF] [YELLOW]?

"SUBJECT, HOWEVER, TO _____ (DOCUMENT) FOR _____ (USE) ISSUED _____ (DATE)

TO _____ UNDER APPLICATION NO. _____"

COPY OF DNR PLATE IN FILE (SHOWING ENCUMBRANCES) UNDER LEASE DOCUMENT?



DAN
Does this apply?
YES
DNR

TERM

IF MORE THAN 12 YEARS, REASON IS IN FILE? GOLDEN REN

END DATE IS ON FIRST OF MONTH?

IF RENEWAL, START DATE IS END DATE OF PRIOR LEASE?

PERMITTED USE

SPECIFICALLY IDENTIFIES (LIMITS) WHAT WILL OCCUR ON LEASE?

(AMOUNT, NUMBER, SIZE, PORTION OF YEAR, ETC.)

STRUCTURES AND IMPROVEMENTS SHOWN ON EXHIBIT?

ADEQUATE SET-BACKS? (ANY PROPERTY LINE LIMITATIONS?)

ALL MOORAGE WITHIN LEASEHOLD? X

PLAN (TIMEFRAME) OF DEVELOPMENT OR REDEVELOPMENT?

OPERATION RESTRICTIONS?

APPLYING FOR H.L. ADJUSTMENT

RENT/FEE

IS IT CLEARLY DOCUMENTED IN FILE?

ARE CALCULATIONS DOUBLE CHECKED?

DOES ACREAGE MATCH LEGAL DESCRIPTION?

IS RENT FOR PULL YEAR OR PORTION OF YEAR? (CALCULATION SHOWN IF PORTION OF A YEAR?)

IF ANNUAL RENT UNDER \$100, IS CHARGE FOR FOUR YEARS IN ADVANCE?

ARE RENT AMOUNTS SHOWN BY USE AND TRUST ON WORKSHEET?

OPTIONAL PARAGRAPHS OR WORDS SELECTED/DELETED CONSISTENTLY?

SECURITY IS AT LEASE TWICE ANNUAL RENT? UNDER \$500, NO BOND?

SIGNATURE BLOCK

DOES TYPE OF DOCUMENT/AQUATIC LAND TRUST/TERM MATCH THE DNR SIGNER'S AUTHORITY?

DOES LESSEE/COMPANY NAME MATCH THAT ON THE FRONT PAGE?

DO ALL PAGES OF THE DOCUMENT HAVE THE DOCUMENT NUMBER?

COVER LETTER

DOES RENT PERIOD AND AMOUNT MATCH THE DOCUMENT?

BOND AMOUNT STATED?

INSURANCE REQUIRED?

GREEN SHEET INFORMATION CORRECT TO PRODUCE INSTANT BILL TO MAIL WITH LETTER?

AIMS/RMS IS UP TO DATE AS POSSIBLE? (DO NOT CHANGE END DATE UNTIL DOCUMENT IS SIGNED)

TAX AREA CODE IF LEASEHOLD TAX?

- HODS. CONTROLLING INTEREST!
- primary shareholder
- AMORTIZE

⇒ WHY NEED 30 YRS (LOAN)?

⇒ NEED SOMETHING FROM PRES

USER SHEET

WATER-DEPENDENT AQUATIC LANDS LEASE

Rev. February 1, 1993

WP-
ANY BLANKS
ON THIS USER
SHEET SHOULD
JUST BE BLANK ON
DRAFT DOCUMENT

Special change approved by:

Section Manager

Assistant Division Manager

If making change to Master, send copy of changes to Diana.

1. Lease No. 22-002332
2. Lessee's Name: PORT WASHINGTON MARINA CONDOMINIUM ASSOCIATION
3. Type of business:

<input checked="" type="checkbox"/> a Washington corporation	_____ marital community
_____ a general partnership	_____ an individual
_____ a Washington limited partnership	_____ a Washington Municipality
_____ corporation	_____ Other _____
(give other state name)	(if not above, give choice)

4. County Name KITSAP
5. Indicate the type of information found in Exhibit A.

☒ survey _____ plat _____ diagram _____ and/or legal description
_____ survey, diagram, and legal description
_____ survey, plat, diagram, and/or legal description
Other _____
(write in your choice if not listed above)

6. In executing this Lease, State is relying on:

1.1(f) ☒ survey _____ survey and/or legal description _____ legal description
Other _____
(if not listed above, write in what the state is relying on)

7. 1.2 Replacement of Prior Leases is an optional clause. Please indicate your choice.

☒ If yes, give Lease No. 22-002332, 22-002399, 22-002396 and Commencement Date _____

8. 2.1 Term 30 How many years
NOVEMBER 1, 1992 Term begins on
OCTOBER 31, 2022 Term ends on

9. 3.1 Annual Rent [You need to select one from each of following rent clauses.]

Rent 1 (LM use this clause for a new lease.)

Lessee agrees to pay an initial annual rent of \$ 1305²³

(LM use this clause for a new lease.)

Initial Rent is \$ 81365.23 ~~Water-dependent use; \$ _____ for nonwater~~
~~dependent; \$ _____ Improvements \$ _____ for log-storage.~~

Rent 2 (LM use this clause if the lease does not start on the first of the month.)

Lessee agrees to pay an initial annual rent of \$ _____
beginning on _____ to _____
based on an annual rent of \$ _____.

Rent 3 (LM use this clause for stair stepped rent for four years.)

Annual rent for the first _____ year period of this Lease is as follows:

First year \$ _____ Second year \$ _____
Third year \$ _____ Fourth year \$ _____

Optional (c) 1

(c) **Multi-year rent for a new lease.**

_____ Multi-year Rent \$ _____ . . . each _____ year
_____ Yearly Rent \$ _____
_____ Monthly Rent \$ _____
_____ Quarterly Rent \$ _____

Optional (c) 2

(c) **When annual rent does not start on the first of the month.**

\$ _____ (put in less-than-365 amount from 3.1(a))
_____ new date that payment is due.

(LM, if you choose this clause and not Subclause (c) above, the WP will change the (d) to (c).)

(d) ☒ year's _____ month's
_____ years' _____ quarter's

10. **3.2 Revaluation of Rent**

☒ State shall on NOVEMBER 1 1993 and at the end
(month and day)

OR

_____ State shall, at the end of the first four-year period of the Term. . .

11. **3.3 Inflation Adjustment and 3.5 Allocation of Rent**

(LM this has been simplified and includes all variables for Clauses 3.3 and 3.5.)

☒ year, year's, year
_____ period, term's, period

12. 3.6 Rent for Improvements

Rent Improvements 1

Rent charged for ALL improvements

_____ . . . the improvements were installed by Lessee before June 1, 1971.

OR

_____ . . . the improvements were installed by Lessee before June 1, 1971 but, since then, there has been a period of three years in which no lease was in effect or no bona fide application for a lease was pending.

Rent Improvements 2

Rent charged for SOME but not all improvements

Rent Improvements 3

NO RENT charged for improvements

✓

13. 5.3 Permitted Use Be very specific when describing the use

MAINTAINING FINGER FLOATS, DOCKS, AND FIXED PILES TO PROVIDE
FOR A PRIVATELY OWNED AND OPERATED MARINA
VESSEL MOORING AS SHOWN IN LOG ON EXHIBIT A

If you are going to have an Exhibit B use this paragraph.

_____ . . . as further described in the attached Exhibit B which includes a written description of the Permitted Use and/or written plan of development and operation on the Property used for water-dependent or water-oriented and nonwater-dependent uses. . .

OR if a log storage lease, please check in the blank below.

_____ 5.3 Permittee Use LOG STORAGE _____

14. 5.9 Reports This is an optional clause.

No _____ If yes, provide the anniversary date. _____

15. 6.1(a) Authorized Improvements List the improvements constructed on the Property.

60 WOOD PILLINGS _____

If there are improvements, you must include one of these sentences. They begin with two variables. Select the sentence that fits the conditions and then select the beginning which is most appropriate for your lease circumstances. You may want to use both sentences if state-owned improvements exist.

If the improvements are owned by the state, use this sentence.

_____ All of the Improvements OR _____ Of those _____, _____, and

N/A
_____ shall be deemed to be the property of State ("State-owned Improvements") and Lessee hereby quitclaims any and all interest it may have in these improvements.

If the improvements are not owned by the state, use this sentence.

☒ All of the OR ☐ The other

improvements on the Property as of the date of this Lease shall be considered the property of the Lessee ("Lessee-owned Improvements"). Lessee acknowledges ownership of, and responsibility for, all Lessee-owned Improvements.

6.1(b)2 List improvements to be constructed upon the Property:

NONE

16. 6.1(4)(5)(6) LM these clauses are optional. Chose any combination appropriate for your circumstances, the WP will renumber the clause to match the lease.

☒ 6.1(4) ☐ 6.1(5) ☐ 6.1(6) or ☐ All three clauses.

LM, answer yes or no for the phrase "and all Lessee-owned Improvements" the WP will enter the phrase where appropriate for 6.1(c), 6.1(d) and 9.2(c).)

17. 6.1(c) Ownership

☐ Yes ☒ No "and all Lessee-owned Improvements"

(LM 6.4(b) and 7.6 are optional clauses, indicate yes or no.)

18. 6.1(d) Removal of Certain Improvements and 9.2(c) Ownership of Repairs

☐ Yes ☒ No "and/or Lessee-owned Improvements"

19. 6.4(b) Security for Completion of Changes and Improvements

☐ Yes ☒ No

20. 7.6 Assignment of Right to Receive Rentals

☒ Yes ☐ No

21. 8.2 Bond or Other Security Bond amount is \$ 25,000

(LM 8.4(d) is an optional clause, indicate yes or no.)

22. 8.4(d) Builder's Risk Insurance

☐ Yes ☒ No

23. 14.1 Breach and Default

☒ Harbor (60 days) OR ☐ Nonharbor (30,15 days)

24. Lessee's address 510 RAVIER AVENUE SOUTH
SEATTLE, WA 98144

MASTRO'S
ADDRESS
✓ CONFIRM

25. 19.7 Language This lease was

 . . .freely negotiated by State and Lessee

✓ . . .agreed upon after Lessee has been given the opportunity to negotiate its terms.

COMMENTS OR SPECIAL INSTRUCTIONS: _____

SIGNATURE BLOCK SHOULD BE:

"PRESIDENT"

Lease Administrator

BBP

Date

04-19-93



File 22-002332

Memorandum

To Bob name location
From Terry name location
Subject Law suit Date 7/17/89

Bob, should we offer to meet with this attorney and go thru the file. OR should we ask Mark to review the suit first?

Terry,

Call Mr. Calvin & let him know we are setting up mtg. w/ our attorney to review & ask then write him. Follow up your call w/ short letter saying the same thing for documentation. Set up mtg. w/ Mark for you me & Ken - Bob 7/17/89

DEPARTMENT OF NATURAL RESOURCE
OLYMPIA, WASHINGTON 98504

Brem. H.A.
22-002332
2396
2399

ROUTING SLIP
(TO EXECUTIVE MANAGEMENT)

ROUTE TO:

DATE: 10/25/88

Art Stearns

REQUESTED BY:

Aquatic Lands Div.

ACTION REQUESTED:

Approval _____ Signature x For Your Information _____

Comments Amendment to combine 3 separate adjoining
leases. No's. 2396 & 2399 will be under No. 2332.
* cancellation orders are part of this packet
for signature for lease No's. 2396 & 2399.

Date Needed _____

RETURN TO:

Marci Savage - Ag. Lds.

SUMMARY AND BACKGROUND INFORMATION:

These 3 leases are part of a condo package
in the Brem. H.A. in Port Wash. Harbors.
All lease area is built with slips - very
attractive now. Condominized approximately 5 years ago.

BACKGROUND:

Will allow lesser to use quarterly rental payment scenario. and supply one \$13,000 bond for security.

ISSUES

CONTROVERSY

some bank sloughing occurred as a result of lessee dredging for marina about 3+4 years ago, which threatened Stemerston's new sewer line landward of the marina. Problem corrected by City, Lessee, dredging Co. and upland owners resolving to connect w/ tip trap.

PRECEDENTS

None

ANYTHING ELSE

Allows AND to carry one lease on its "books" vs three.

February 3, 1988

M E M O R A N D U M

TO: Bob Hoyser

FROM: Valjean Merrill

RE: Non-Disclosure List

Here is the list of items removed from the files.

<u>FILE NO.</u>	<u>PAGE</u>	<u>TYPE</u>	<u>TO</u>	<u>FROM</u>	<u>DATE</u>
HA-2523	1	Comments/ Questions	?	Bob Hoyser	9-17-85
HA-2523	1	Memo	John DeMeyer	Bob Hoyser	9-29-86 (96)
HA-2523*	1	Response to Memo 9-29-86	Bob Hoyser	John DeMeyer	?
HA-2523*	1	Letter	Commsissioner	John A. McHugh	9-10-?
HA-2523*	1	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2523	1	Inter-Office Correspondence	Bob Hoyser	Ann Essko	10-14-85
HA-2523	1	Speed Memo	Dave Bortz	Bob Hoyser	7-6-84
HA-2523*	3	Memo & Photos	John DeMeyer	Bill Phillips	12-2-86
HA-2523*	3	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2523*	3	Letter (Some info. was deleted)	?	Bob Hoyser	9-26-85
HA-2396	1	Memo	John DeMeyer	Bob Hoyser	9-29-86 (96)
HA-2396*	1	Response to Memo 9-29-86	Bob Hoyser	John DeMeyer	?
HA-2396*	1	Letter	Commissioner	John A. McHugh	9-10-?
HA-2396*	1	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2396* (2 copies)	1	Speed Memo	John DeMeyer	Dave Bortz	9-20-84
HA-2396	1	Speed Memo	Bob Hoyser	Dave Bortz	9-12-?
HA-2396 (2 copies)	1	Speed Memo	Dave Bortz	Bob Hoyser	7-6-84
HA-2396*	3	Memo & Photos	John DeMeyer	Bill Phillips	12-2-86
HA-2396*	3	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2396*	3	Speed Memo	John DeMeyer	Ann Essko	1-17-86

* These pages have attachments or are attachments.

Non-Disclosure List
February 3, 1988
Page Two

<u>FILE NO.</u>	<u>Page</u>	<u>TYPE</u>	<u>TO</u>	<u>FROM</u>	<u>DATE</u>
HA-2332*	1	Memo	John De Meyer	Bob Hoyser	9-29-86 (96)
HA-2332*	1	Response to Memo	Bob Hoyser	John DeMeyer	?
HA-2332*	1	Letter	Commissioner	John A. McHugh	9-10-?
HA-2332*	1	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2332	1	Speed Memo	Bob Hoyser	Dave Bortz	9-12-?
HA-2332	1	Speed Memo	Dave Bortz	Bob Hoyser	7-6-84
HA-2332*	3	Memo & Photos	John DeMeyer	Bill Phillips	12-2-86
HA-2332*	3	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2332*	3	Speed Memo	John DeMeyer	Ann Essko	1-17-85
HA-2332* (2 copies)	3	Speed Memo	John DeMeyer	Dave Bortz	9-20-84
HA-2399*	1	Memo	John DeMeyer	Bob Hoyser	9-29-86 (96)
HA-2399*	1	Response to Memo	Bob Hoyser	John DeMeyer	?
HA-2399*	1	Letter	Commissioner	John A. McHugh	9-10-?
HA-2399*	1	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2399* (2 copies)	1	Speed Memo	John DeMeyer	Dave Bortz	9-20-84
HA-2399	1	Speed Memo	Bob Hoyser	Dave Bortz	9-12-86
HA-2399 (2 copies)	1	Speed Memo	Dave Bortz	Bob Hoyser	7-6-84
HA-2399*	3	Memo & Photos	John DeMeyer	Bill Phillips	12-2-86
HA-2399*	3	Speed Memo	John DeMeyer	Ann Essko	8-15-86
HA-2399*	3	Speed Memo	John DeMeyer	Ann Essko	1-17-85

*These pages have attachments or are attachments.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE, Commissioner

MEMORANDUM

TO Mark Clevon (Name) (Location)
FROM Terry Kerson V (Name) (Location)
SUBJECT Bonds For Leases 2523, 2396, 2332 & 2399 DATE 5/6/85

Please return new bonds for lease Nos 2396, 2332 and 2523. Also the name of the bonds should reflect the Port Washington Marina Owners' Association on all four leases.

(b) (6)

will send bonds
5/31/85 TMR

602,000
 610,000
 620,000
 630,000
 640,000
 650,000
 660,000
 670,000
 680,000
 690,000
 700,000
 710,000
 720,000
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 940,000
 950,000
 960,000
 970,000
 980,000
 990,000
 1,000,000

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE, Commissioner

MEMORANDUM

TO

Gennie

(Name)

Marine Land Mgt

(Location)

FROM

Chris

(Name)

Financial Services

(Location)

SUBJECT

22 2332

22 2396

DATE

5-3-84

Currently lease 22-2332 has an amount due of \$1287⁹⁵

Currently lease 22 2396 has an overpayment of \$1179⁶⁹

May I reduce the credit balance on 22 2396 and ^{108⁵⁶}

reduce the amount owing on 22 2332 to \$108²⁶

Please Advise

County of KING)
 State of Washington) ss

I, (We) PORT WASHINGTON PROPERTIES, INC. A WASH.
CORP. being first duly sworn on oath depose and say that I

(we are) the lessee of record of the following described property:
STATE OF WASHINGTON, DEPARTMENT OF NATURAL RESOURCES, HARBOR AREA
 as described in Lease numbers 2332, 2396, 2399 and 2523

That I (we) waive in favor of the applicant for easement, rights to enter upon the leasehold
 for the purpose of construction and maintenance of sewer mains.

Signed [Signature] PRES.

Subscribed and sworn to before me this 26 day of October 19 83.

Shirley Van Hoover
 Notary Public in and for the State of
 Washington, residing at Bremerton

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE, Commissioner

MEMORANDUM

TO Fark (Name) (Location)
 FROM Terry (Name) (Location)
 SUBJECT ETS or checklist DATE 4/26/82

We have two letters with Son Brum, Inc for a marina at this location. I recognize the exhibits as showing the same proposed improvements of air lessee. The area is a harbor area which is set aside for such water dependant commercial uses. See HA 2396 & HA 2332

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BERT COLE, Commissioner

MEMORANDUM

TO File HA 2332 & 2396 (Name) (Location)
 FROM Rene Herrera (Name) (Location)
 SUBJECT name change DATE 1/5/82

talked to Terry Durst this P.M.

D & D investments is Davis/Durst, developers and parent company of Seabrim, Inc.

Port Washington is the name of the marina (when they get it built) and eventually the lease will be under that name. In the mean time Seabrim (also the name of his condos) will be the company leasing and doing the construction. Permits will be issued to Port Washington Inc.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT COLE, Commissioner

3

MEMORANDUM

TO File (Name) (Location)
FROM TW Roswall (Name) (Location)
SUBJECT HA 2332 & 2396 (Name) (Location) DATE 5/21/81

Mr. Durst came in today and showed some slides about his propose marina and development. We discussed the loan security assignment. He will probably use our form for the assignment and security. Bateman said it was OK for the loan security to be used by a private entity other than a bank.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BERT COLE, Commissioner

3

MEMORANDUM

TO File (Name) (Location)
FROM Terry Roswall (Name) (Location)
SUBJECT HA 2396 & 2332 (Name) (Location) DATE 4/20/81

I called Jack Cyr about the boat houses located on the lease areas. I referred to the lease clauses & WAC's. The boat houses didn't have approval of our Dept. I questioned our ability to approve the assignment of the two referred leases. Mr. Cyr said that the prospective purchasers will change the whole configuration, which will solve the problem of the boat houses. So I call Mr. Ryan (479-4545) attorney for (b) (6) and told him that the preferred open moorage is our policy. He didn't see any problem with that requirement. May 21, 1981 will be the deadline for the transaction.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT COLE, Commissioner

3

MEMORANDUM

TO Lile (Name) (Location)
FROM Frank Hansen (Name) (Location)
SUBJECT HA-2332 DATE 2-14-80

On this date, our attorney Mr. Bateman reached an agreement with Seagate Inc. to utilize a value of \$7,500/Ac rather than us go before the appeals Board and argue for \$10,000/Ac - especially in light of their recent decision. This decision is a fair one for both parties.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT COLE, Commissioner

3

MEMORANDUM

TO Lile (Name) (Location)
FROM Frank Hansen (Name) (Location)
SUBJECT HA-2332 DATE 1-2-80

Appeal hearing set for 1/15/80 at 2PM. Dave Bateman talked with Jack Cyr this date & they both agreed hearing date should be set back for late January or early Feb. due to hearing conflict with HA-2235 set for 1³⁰pm 1/15/80. (Bateman is to contact Kitsap Co. & set later date.)

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT COLE, Commissioner

MEMORANDUM

TO Lib (Name) (Location)
FROM Frank Hansen (Name) (Location)
SUBJECT HA-2332 DATE 12-3-79

Jack Cyr and (b) (6) (Co-owner ~~Frank~~) came in this date to review our values. They had no supportive values of their own - just felt ours were too high & felt we should lower the rent. After 1 1/2 hrs I felt I had convinced one party but not the other. They took copy of my lease values for the Wash. Narrows & will discuss between themselves & advise us on their decision to continue appeal or what ever.

DEPARTMENT OF NATURAL RESOURCES
ROUTING SLIP

TO:

Bill Johnson (M2M)

FROM:

Bob

Bob Frank
What are
particulars

DATE:

11-8-79

FOR ACTION

FOR REPLY

FOR COMMENT

FOR YOUR INFO

FOR APPROVAL

AS REQUESTED

FOR SIGNATURE

SEE ME

READ & ROUTE FILE

FOR

REMARKS

Accepted service of
this Notice of Appeal
at 10:40 this morning.
He sent copy to A.G.

RES 25-1301(7-75)

5-20-76

Phone call From

Jack Cyr, Atty at Law

400 Washington

Bremerton, WA. 98310

Ph. 377-4481

Requested info w/ regards

to Lse No HA2332

Sent

Copy of Exhibit

Assignment papers

and Applications to Lease

aquatic Lands.

7/2/76 - (b) (6) called - wanted
to know if any one else made her former
(b) (6) if she has an interest in the
lease. Told the file indicated some 3rd party
"needs" but that no legal papers indicate
any such assignment were evident. In short
told her it was all hers. JH

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT COLE, Commissioner

MEMORANDUM

TO File (Name) (Location)
FROM Shannon (Name) (Location)
SUBJECT HA-2332 (b) (6) DATE

(b) (6) called - wanted to know what we were appraising this lease on and @ \$. He seems to be dealing with some guy at Sea-Gate who seems to be claiming we own improvements and that he shouldn't be taxed for property. See clause 4.3 ?
(b) (6) said he has one old house and improvements of marina @ \$22,000 +.

note to be for new application

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
OLYMPIA, WA 98504

MARINE LAND INSPECTION REPORT

APP. NO. **HA2332**

NAME (b) (6) & Arco

$$\begin{array}{r} 1.35 \\ 73 \\ \hline 642.60 \end{array}$$
 annual rental on two leases

Composition of beach Not Needed But beach is is sandy composition

Public recreation potential NONE - Harbor Area.

Public access, if any NONE.

Oysters or clams NO.

Is abutting upland residential? yes + Gasoline Bulk Distributing Plants

Nature of improvements on abutting uplands Apt house &

What improvements, if any, on desired land? House, Dock, Shed piling & Dolphins & Finger Piers

Inspector's Remarks: When comes up for release, will reissue. condition of dock and pier is questionable, a considerable amount of work is needed to bring up to standards, only access is down a steep bank on stairs 82 steps approx 70ft. high \$8500/acre less 40% for steep bank. 60 to 80ft high-

Inspector's Recommendations:

82 Approved: yes

Recommended rental: 5000/acre F.V.

1974 \$413.10 annual rental

Rejected: 1974 227 80

Reason: \$642.60

Inspected by: DL Boone
R. Hansen

Date 29 Aug 74

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

9-28-93 NC

PRODUCER

HALLER INSURANCE SERVICES INC

02-5444

INSURED

PORT WASHINGTON MARINA CONDOMINIUM
OWNERS ASSOCIATION
1530 9TH AVENUE NORTH
EDMONDS, WA 98020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** SAFECO INSURANCE COMPANY OF AMERICA

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	CP 8467546	7-30-93	7-30-94	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS-COMP/OP AGG. \$ 1,000,000 PERSONAL & ADV. INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE—POLICY LIMIT \$ DISEASE—EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CANCEL & REPLACES AGENCY ISSUED CERTIFICATE DATED 8-19-93

EFFECTIVE 7-30-93

CERTIFICATE HOLDER

DEPT OF NATURAL RESOURCES ACQUATIC LAND
ATTN: BRAD PRUITT
1111 WASHINGTON ST SE
PO BOX 47027
OLYMPIA, WA 98504-7027

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO
MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

**AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP
OF
SEVEN Js INVESTMENTS**

Mildred Grace Johnson, successor General Partner to John Arthur Johnson, hereby certifies to the following amendment to the Certificate of Limited Partnership of Seven Js Investments.

1. The original Certificate of Limited Partnership was filed on December 27, 1983, with the office of the Secretary of State of the State of Washington.

2. Unless specifically modified herein, all articles of the original Certificate of Limited Partnership remain unchanged.

3. Article III of the Certificate is hereby amended in that the agent for service of process is Mildred Grace Johnson.

4. Article IV of the Certificate is hereby amended in that Mildred Grace Johnson is now General Partner of the partnership, John Arthur Johnson (b) (6). Mildred Grace Johnson also continues as a limited partner. The Estate of John Arthur Johnson, Mildred Grace Johnson, Executrix, is now also a limited partner. The new Article IV is as follows:

"The name and address of each general and limited partner is as follows:

Mildred Grace Johnson (General Partner)	(b) (6) Seattle, WA 98112
Estate of John Arthur Johnson (Limited Partner)	(b) (6) Seattle, WA 98112
Mildred Grace Johnson (Limited Partner)	(b) (6) Seattle, WA 98112
Chris Bernard Johnson (Limited Partner)	(b) (6) Renton, WA 98055
Steven Claude Johnson (Limited Partner)	(b) (6) Seattle, WA 98155
Joy Diane Johnson Walter (Limited Partner)	(b) (6) Snohomish, WA 98290

Judy Ann Johnson Cohn
(Limited Partner)

(b) (6)
Snohomish, WA 98290

5. Article VIII of the Certificate is hereby amended as follows: "Each partner shall receive the share of profits and losses from the partnership which is hereafter set forth opposite his or her name:

Mildred Grace Johnson, as General Partner	1%
Estate of John Arthur Johnson, as Limited Partner	40%
Mildred Grace Johnson, as Limited Partner	27%
Chris Bernard Johnson, as Limited Partner	8%
Steven Claude Johnson, as Limited Partner	8%
Joy Diane Johnson Walter, as Limited Partner	8%
Judy Ann Johnson Cohn, as Limited Partner	8%"

IN WITNESS WHEREOF, we have hereunto set our hands and seals
this 11th day of September 1993:

GENERAL PARTNER:

Mildred Grace Johnson
Mildred Grace Johnson
General Partner

LIMITED PARTNERS:

Mildred Grace Johnson Chris Bernard Johnson
Mildred Grace Johnson Chris Bernard Johnson

AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP
OF SEVEN Js INVESTMENTS --2

Steven Claude Johnson
Steven Claude Johnson

Joy Diane Johnson Walter
Joy Diane Johnson Walter

Judy Ann Johnson Cohn
Judy Ann Johnson Cohn

Mildred Grace Johnson
Estate of John Arthur Johnson,
Mildred Grace Johnson,
Executrix

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared MILDRED GRACE JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as General and Limited Partner and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter

David E Ketter

NOTARY PUBLIC, in and for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared MILDRED GRACE JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as Executrix of the Estate of John Arthur Johnson, Limited Partner, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP
OF SEVEN Js INVESTMENTS --3

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter
David E Ketter
NOTARY PUBLIC, in and for the
State of Washington, residing at
Seattle, WA
My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared CHRIS BERNARD JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter
David E Ketter
NOTARY PUBLIC, in and for the
State of Washington, residing at
Seattle, WA
My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared STEVEN CLAUDE JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP
OF SEVEN JS INVESTMENTS --4

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter

David E Ketter

NOTARY PUBLIC, in and for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared JOY DIANE JOHNSON WALTER, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter

David E Ketter

NOTARY PUBLIC, in and for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared JUDY ANN JOHNSON COHN, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP
OF SEVEN JS INVESTMENTS --5

GIVEN under my hand and official seal this 17th day of
September, 1993.

David E Ketter

David E Ketter

NOTARY PUBLIC, in and for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

j\johnm\12amend.ag1

AMENDMENT TO THE CERTIFICATE OF LIMITED PARTNERSHIP
OF SEVEN Js INVESTMENTS --6

DNR-00018373

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF
SEVEN Js INVESTMENTS

This Agreement is made and entered into as of April 29, 1988, by and among Mildred Grace Johnson, individually and as Executrix of the Estate of John Arthur Johnson; Chris Bernard Johnson, as his separate property; Steven Claude Johnson, as his separate property; Joy Diane Johnson Walter, as her separate property; and Judy Ann Johnson Cohn, as her separate property. The parties are all the partners of Seven Js Investments and they shall be referred to hereinafter collectively as "the Partners".

1. Recitations. John Arthur Johnson, the initial General Partner, (b) (6) [REDACTED] [REDACTED] The limited partnership has continued to operate on oral agreements. Mildred Grace Johnson, individually, has served as General Partner, having been named successor General Partner by John Arthur Johnson with the approval of all limited partners. Prior to April 29, 1988, the Partnership operated pursuant to an unexecuted agreement of limited partnership. The Partners now wish to confirm their oral agreements, both before and after April 29, 1988, in this written Agreement.

2. Ratification. A partnership agreement was prepared at the same time as the Certificate of Limited Partnership of Seven Js Investments executed by all the Partners on December 22, 1983,

and filed with the State of Washington on December 27, 1983. This 1983 agreement was to have been executed at the same time as the Certificate of Limited Partnership. The Certificate of Limited Partnership is attached hereto and incorporated herein by this reference as Exhibit A (referred to hereinafter as "the Certificate"). Except as specifically modified in this Agreement, the Partners hereby ratify and confirm all the terms of the 1983 unexecuted Limited Partnership Agreement attached hereto and incorporated by this reference herein as Exhibit B (referred to hereinafter as "the Original Agreement"). The Partners also hereby ratify and confirm all actions of John Arthur Johnson taken as General Partner before April 29, 1988, except that adequate accounting records have not been presented to the partners; the accounting to date, therefore, is not ratified.

3. Confirmation of Successor General Partner and Ratification. The Partners hereby agree that Mildred Grace Johnson has been the General Partner since April 29, 1988, pursuant to oral agreement, and hereby confirm her status as General Partner. The Partners also hereby ratify all actions of Mildred Grace Johnson taken on behalf of the partnership since April 29, 1988, except that adequate accounting records have not been presented to the partners; the accounting to date, therefore, is not ratified. No later than May 15, 1993, the General Partner hereby agrees to prepare and present to all

partners complete and adequate accounting records for the years 1984 through 1992.

4. Present Status of Partners. The Partners agree that the present ownership of the partnership is held as follows and specifically authorize the General Partner to file an amendment to the Certificate showing this changed ownership and changes in any other matters set forth in the Certificate:

Mildred Grace Johnson, individually, as General Partner	1%
Mildred Grace Johnson, individually, as Limited Partner	27%
Estate of John Arthur Johnson, Mildred Grace Johnson, Executrix, as Limited Partner	40%
Chris Bernard Johnson, as separate property	8%
Steven Claude Johnson, as separate property	8%
Joy Diane Johnson Walter, as separate property	8%
Judy Ann Johnson Cohn, as separate property	8%

6. Further Modifications of the Original Agreement. The Original Agreement is hereby modified as follows:

a. Paragraph 3 is amended in that the second of the three paragraphs contained therein shall be deleted.

b. Paragraph 6 is amended in that the following additional sentences shall be added: "The General Partner may retain the services of an off-site, professional property manager

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 3

pursuant to the terms of a written agreement consistent with the standards in the industry for such services in the area in which the managed property is located. The cost for the services of an off-site, professional property manager, including reimbursement of agreed expenses incurred by the property manager, shall be charged against the compensation otherwise due the General Partner. However, the cost for the services of an on-site, resident manager and assistant managers, including subsidized rent and/or wages, shall not be charged against the compensation otherwise due the General Partner. Any cost for accounting services to maintain partnership books and accounts shall be charged against the compensation otherwise due the General Partner. However, the cost for partnership income tax return preparation shall not be charged against the compensation otherwise due the General Partner. The cost for off-site, professional property management and for accounting services to maintain partnership books and accounts shall not exceed 10% of the gross annual income of the partnership. In any year in which such costs do exceed 10% of the gross annual income, the excess will not be charged as a partnership expense, but shall be paid by the General Partner with nonpartnership funds.

c. Paragraph 7B is amended in that the percentages of profits and losses are the same as the percentages of ownership set forth in Paragraph 4 above.

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 4

d. Paragraph 8A is amended in that the first phrase of the first sentence, beginning with "After the first" and ending with "limited partnership votes," shall be deleted. In addition, the following sentence shall be added: "Under all circumstances, each partner shall receive a minimum distribution each year equal to the income tax incurred by that partner with respect to his or her distributive share of net partnership profits from the prior year; provided further, that the minimum distribution to any limited partner other than Mildred Grace Johnson and the Estate of John Arthur Johnson shall be equal to the highest income tax incurred by any one of the limited partners other than Mildred Grace Johnson or the Estate of John Arthur Johnson."

e. Paragraph 9I is amended in that the following phrase shall be added to the end of the last sentence: "except upon prior approval of all limited partners."

f. Paragraph 11 is amended in that the following subparagraphs E and F shall be added:

"E. Any other transfer to or encumbrance of a partnership interest to a third party shall be null and void and shall give the partnership the right to acquire the limited partnership interest involved pursuant to Paragraphs 14 and 15 below, except that the purchase price shall bear no interest and shall be paid out at \$1,000 per year, unless the partnership agrees to pay more favorable terms."

"F. An assignee or other transferee of a partnership interest made in compliance with this Paragraph 11 and all other terms of this Agreement, other than one or more of the original partners or their descendants, shall be entitled only to the distributions to which the transferee partner would be entitled and shall not become or have any other rights of a partner unless all other partners consent in writing to such transferee becoming a partner. A transferee who is a family member shall become and have all the rights of a partner upon such transferee's written agreement to be bound by the terms and conditions of this Agreement."

g. Paragraph 20 shall be redesignated as "Annual Meeting and Voting Rights and Voting Methods of the Limited Partners".

h. A new Paragraph 20A shall be inserted as followed:
"A. There shall be an annual meeting of all partners to be held on the third Saturday of September in each calendar year at the partnership property in Ellensburg, Washington, unless the General Partner, upon consultation with all Limited Partners, designates a different time and/or place."

i. Paragraph 20A shall be renumbered as Paragraph 20B. A new subparagraph (6) shall be added as follows: "Any plan of the General Partner to spend more than \$10,000 in any calendar year on any single, nonroutine repair; replacement; or capital improvement, including any series of similar repairs;

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 6

replacements or capital improvements that will collectively cost more than \$10,000 in any single calendar year."

j. Paragraph 20B shall be renumbered Paragraph 20C and shall be changed in that a meeting of all Partners shall be called by the General Partner upon receipt of the written request of any two Limited Partners.

k. Paragraph 20C is hereby deleted.

7. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, discussions, writings and agreements with respect thereto. This Agreement may be amended only by an instrument in writing signed by all Partners.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

Dated: this 11th day of September, 1993.

GENERAL PARTNER:

Mildred Grace Johnson
Mildred Grace Johnson

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN JS INVESTMENTS -- 7

DNR-00018380

LIMITED PARTNERS:

Mildred Grace Johnson
Mildred Grace Johnson

Chris Bernard Johnson
Chris Bernard Johnson

Steven Claude Johnson
Steven Claude Johnson

Joy Diane Johnson Walter
Joy Diane Johnson Walter

Judy Ann Johnson Cohn
Judy Ann Johnson Cohn

Mildred Grace Johnson
Estate of John Arthur Johnson,
Mildred Grace Johnson,
Executrix

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared MILDRED GRACE JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as General and Limited Partner and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketten
David E Ketten

NOTARY PUBLIC in and the for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 8

STATE OF WASHINGTON)
 : SS.
COUNTY OF KING)

On this day before me personally appeared MILDRED GRACE JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as Executrix of the Estate of John Arthur Johnson, Limited Partner, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter
David E Ketter

NOTARY PUBLIC in and the for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : SS.
COUNTY OF KING)

On this day before me personally appeared CHRIS BERNARD JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter
David E Ketter

NOTARY PUBLIC in and the for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 9

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared STEVEN CLAUDE JOHNSON, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter
David E Ketter

NOTARY PUBLIC in and the for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this day before me personally appeared JOY DIANE JOHNSON WALTER, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter
David E Ketter

NOTARY PUBLIC in and the for the
State of Washington, residing at
Seattle, WA

My appt. expires: 10/24/94

MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 10

STATE OF WASHINGTON)
 :
COUNTY OF KING) ss.

On this day before me personally appeared JUDY ANN JOHNSON COHN, to me known to be the individual described in and who executed the within and foregoing instrument as Limited Partner and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 11th day of September, 1993.

David E Ketter

David E Ketter

NOTARY PUBLIC in and the for the
State of Washington, residing at

Seattle, WA

My appt. expires: 10/24/94

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MODIFICATION OF LIMITED PARTNERSHIP AGREEMENT
OF SEVEN Js INVESTMENTS -- 11

DNR-00018384

Certificate of Limited Partnership

Of

SEVEN Js INVESTMENTS

The undersigned persons hereby certify to the following for purposes of forming a limited partnership under the provisions of the Uniform Limited Partnership Act of the State of Washington:

I

The name of the partnership shall be Seven Js Investments.

II

The character of the business to be transacted by the partnership will be the acquisition of real property, the leasing thereof, the erection of improvements or additions thereto, the selling of any property, the construction of any property and any other business or profession relating thereto.

III

The address of the office and the name and address of the agent for service of process is John Arthur Johnson, 3812 East McGilvra Street, Seattle, WA 98112.

IV

The name and address of each general and limited partner is as follows:

John Arthur Johnson
(General Partner)

(b) (6)
Seattle, WA 98112

Chris Bernard Johnson
(Limited Partner)

(b) (6)
Renton, WA 98055

Steve Claude Johnson
(Limited Partner)

(b) (6)
Edmonds, WA 98020

Joy Diane Johnson Walter
(Limited Partner)

(b) (6)
Kirkland, WA 98033

Judy Ann Johnson Cohn
(Limited Partner)

(b) (6)
Snohomish, WA 98290

John Aurthur Johnson
& Mildred Grace Johnson
(Limited Partners)

(b) (6)
Seattle, WA 98112

V

The partnership is to exist until dissolution upon the first to occur of any of the following:

A. The death, adjudication of incompetency, bankruptcy, dissolution, resignation, or expulsion of the last remaining general partner;

B. The written election of the general partner, concurred in by limited partners holding 50% or more of the limited partnership interests;

C. The written election of limited partners holding two-thirds (2/3) or more of the limited partnership interests; or

D. The sale or other disposition of all or substantially all of the asset of the partnership.

VI

The amount of cash to be contributed by each partner is as follows:

John Arthur Johnson	\$13,000
Chris Bernard Johnson	\$ 6,500
Steven Claude Johnson	\$ 6,500
Joy Diane Johnson Walter	\$ 6,500
Judy Ann Johnson Cohn	\$ 6,500
John Arthur & Mildred Grace Johnson	\$91,000

VII

The limited partners will make additional contributions to the partnership on a pro rata basis if the cash flow of the partnership is not sufficient to meet the obligations of the partnership.

VIII

Each partner shall receive the share of profits from the partnership which is hereafter set forth opposite his name:

John Arthur Johnson	10%
Chris Bernard Johnson	5%
Steven Claude Johnson	5%
Joy Diane Johnson Walter	5%
Judy Ann Johnson Cohn	5%
John Aurthur & Mildred Grace Johnson	70%

IX

Additional limited partners may be admitted by the general partner (1) in the event that the limited partners are not able to make additional contributions which are sufficient to meet the obligations of the partnership or (2) upon approval of the general partner concurred in by limited partners holding 50% or more of the limited partnership interests.

X

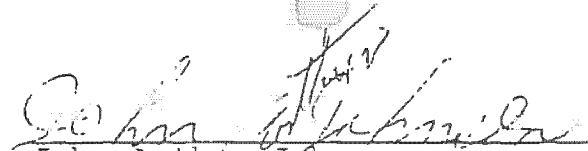
.. If, at any time, there is more than one general partner, the partnership shall not dissolve upon the death, bankruptcy, dissolution, retirement, adjudication of incompetency, resignation or expulsion of less than all of the general partners, and the right to continue the partnership is expressly granted to the remaining general partners.

XI

An affirmative vote of limited partners holding two-thirds (2/3) or more of the limited partnership interests is required to terminate the partnership or to elect a successor additional general partner.

An affirmative vote of limited partners holding fifty percent (50%) or more of the limited partnership interests is required to remove a general partner or to amend the Partnership Agreement.


IN WITNESS WHEREOF, we have hereunto set our hands and seals this ____ day of December, 1983.


John Arthur Johnson
General Partner and
Limited Partner

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 22nd day of December, 1983, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared John Arthur Johnson, who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year above written.


Notary Public in and for the
State of Washington, residing
at Seattle.


LIMITED PARTNERS


Chris Bernard Johnson

STATE OF WASHINGTON)
) ss
COUNTY OF King)

On this 22nd day of December, 1983, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Chris Bernard Johnson, who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year above written.


Notary Public in and for the
State of Washington, residing
at Seattle.

Steve Claude Johnson
Steve Claude Johnson

STATE OF WASHINGTON)
COUNTY OF KING) ss

On this 22nd day of December, 1983, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Steve Claude Johnson, who executed the foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year above written.

David E. Kette
Notary Public in and for the
State of Washington, residing
at Seattle.

Joy Diane Johnson Walter
Joy Diane Johnson Walter

STATE OF WASHINGTON)
COUNTY OF King) ss

On this 22nd day of December, 1983, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Joy Diane Johnson Walter, who executed the foregoing instrument, and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year above written.

David E. Kette
Notary Public in and for the
State of Washington, residing
at Seattle.

Judy Ann Johnson Cohn

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 22nd day of December, 1983, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Judy Ann Johnson Cohn, who executed the foregoing instrument, and acknowledged to me that she signed and sealed the said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year above written.

David S. Kett
Notary Public in and for the
State of Washington, residing
at Seattle.

Mildred Grace Johnson
Mildred Grace Johnson

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 22nd day of December, 1983, before me the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Mildred Grace Johnson, who executed the foregoing instrument and acknowledged to me that she signed and sealed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year above written.

David S. Kett
Notary Public in and for the
State of Washington, residing
at Seattle.

DEK9AA1-7

LIMITED PARTNERSHIP AGREEMENT

of

SEVEN Js INVESTMENTS

THIS LIMITED PARTNERSHIP AGREEMENT is made and entered into as of this day of , 198 , by and among John Arthur Johnson, as General Partner ("the General Partners"), and the undersigned as Limited Partners ("the Limited Partners"):

1. Formation. The parties hereby form and agree to operate a Limited Partnership (the "Partnership") pursuant to the provisions of the Uniform Limited Partnership Act of the State of Washington.

2. Name and Address. The name of the Partnership and the name under which its business shall be conducted shall be SEVEN Js INVESTMENTS. The principal office and principal place of business of the Partnership shall be 3812 East McGilvra Street, Seattle, Washington 98112, or such other place or places as the General Partner may from time to time designate by notice to the Limited Partners.

3. Purpose and Character of Business. The principal business of this Partnership shall be the acquisition of real property, the leasing thereof, the construction of improvements or additions thereto, the selling thereof and any other business relating thereto. The first partnership acquisition shall be the Campus Village Apartments in Ellensburg, Washington. However, the business purposes of this partnership shall not be limited, and the partnership may pursue any and all lawful business, as shall be determined by the General Partner.

While the partnership's overall business purpose is to effectively manage properties and to achieve maximum current yields for partners, the partnership shall initially use its best efforts to build substantial cash reserves for acquisition, development and expansion. To that end, no distributions to partners shall be made except as may be necessary to cover a partner's additional income tax liability attributable to his partnership interest. This policy is initially intended to continue for the first five years of the partnership, but shall be subject to annual review pursuant to paragraph 8A below. All partners recognize that this provision is necessary because the partnership's initial assests will be largely real estate with little or no net income production.

The initial partners will be children of the General Partner. Because of this, all decisions are to be based not only on sound business analysis, but also on mutual respect for all partners collectively and for each partner individually. The partnership shall operate upon the premise that properties can be acquired and used to provide enjoyment for all as an alternative to profit for all. Each partner's needs and preferences shall be considered, to the extent practicable, in making business decisions, and an additional operating premise shall be that properties can be acquired and used for the enjoyment of less than all partners so long as all partners can derive a sound economic benefit.

4. Term. The term of the Partnership shall commence on the date of the filing of a Certificate of Limited Partnership and shall continue until terminated by action of the Partners, or it shall be dissolved upon the first to occur of the any of the following:

A. The death, adjudication of incompetency, bankruptcy, dissolution, resignation, or expulsion of the last remaining General Partner;

B. The written election of the General Partners, concurred in by Limited Partners casting more than 50% of the Limited Partnership votes;

C. The written election of Limited Partners casting two-thirds (2/3) or more of the Limited Partnership votes; or

D. The sale or other disposition of all or substantially all of the assets of the Partnership.

The Partnership shall not dissolve upon the death, bankruptcy, dissolution, retirement, adjudication of incompetency, resignation or expulsion of less than all of the General Partners, and the right to continue the Partnership is expressly granted to the remaining General Partners.

The Partnership shall not dissolve upon the death, bankruptcy, dissolution, retirement, adjudication of incompetency, resignation or expulsion of any Limited Partner.

5. Contributions to Capital and Capital Accounts.

A. The General Partner shall contribute \$13,000 to the Partnership in exchange for his 10% of the profits and losses of the Partnership.

B. The Limited Partners shall contribute to the Partnership as follows:

Chris Bernard Johnson, as his separate property:	\$6,500
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Steven Claude Johnson, as his separate property:	\$6,500
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Joy Diane Johnson Walter, as her separate property:	\$6,500
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Judy Ann Johnson Cohn, as her separate property:	\$6,500
---	---------

John Arthur & Mildred Grace Johnson:	\$91,000
--------------------------------------	----------

C. Additional contributions by the Limited Partners are generally not required. In the event that cash flow is not sufficient to meet Partnership obligations, the Limited Partners agree to make needed additional contributions pro rata or to permit the General Partner to admit additional Limited Partners, thus diluting the Limited Partners' interest.

D. A separate Capital Account shall be maintained for each Partner. There shall be credited to each Partner's Capital Account the amount of his original capital contribution and subsequent capital contributions, if any, and such Capital Account shall be decreased by cash distributions, if any, pursuant to this Agreement.

E. No Partner shall be entitled to receive any interest on his capital contributions.

6. General Partners' Fees and Compensation. The General Partner shall receive reimbursement for all expenses and annual cash compensation for services rendered in an amount to be determined by Limited Partners casting 50% or more of the Limited Partnership votes but, in any event, not to exceed 10% of the gross annual income of the partnership.

7. Profits and Losses.

A. The profits and losses of the Partnership shall be computed as of the end of each Partnership fiscal year and at such other times as the General Partner in his discretion shall determine. The terms "profits" and "losses" of the Partnership shall mean the net profits or net losses, as the case may be, of the Partnership, as determined for federal income tax purposes on a calendar year basis. All items of depreciation, gain, loss, deduction and credit shall, for Partnership bookkeeping purposes

and for tax purposes, be allocated in the same manner in which Partners share profits and losses.

B. Profits and losses shall be divided among and credited to the Partners as follows:

General Partner:	10%
Chris Bernard Johnson:	5%
Steven Claude Johnson:	5%
Diane Johnson Walter:	5%
Jody Ann Johnson Cohn:	5%
John Arthur and Mildred Grace Johnson:	70%

8. Cash Distributions.

A. After the first five years of operation, or sooner if agreed to by Limited Partners casting 2/3 or more of the limited partnership votes, the earnings of the partnership shall be distributed annually, except that earnings may continue to be retained by the partnership and transferred to partnership capital if required for the reasonable needs of the business of the partnership. The General Partner, with the written consent of the Limited Partners casting more than 50% of the Limited Partnership votes, shall decide when earnings should be retained by the partnership. If the General Partner fails to secure this required written consent, the earnings shall be distributed to the partners.

B. No partner shall have the right to demand or receive property other than cash in return for his contribution or in a distribution, except upon dissolution of this partnership, in which event each and every partner shall have the right to demand and receive an undivided interest in each and every asset of the partnership which is unsold, based upon each partner's respective right to share in the profits of the partnership at said time.

9. The General Partner.

A. The General Partner shall have the exclusive right and power to manage and operate the Partnership and to do all things necessary or appropriate to carry on the business of the Partnership. The General Partner shall devote so much of his time to the business of the Partnership as in his judgment the conduct of the Partnership's business shall reasonably require. The General Partner may engage in business ventures of any nature and description independently or with others, including but not limited to business of the character described in Section 3 hereof (or any part thereof), whether or not in competition with

the business of the Partnership, and none of the Limited Partners shall have any rights in and to such independent ventures or the income or profits derived therefrom by reason of being a partner in the Partnership.

B. The General Partner is specifically authorized and empowered, on behalf of the Partnership, without any further consent of the Limited Partners, to reimburse the General Partner for the actual costs of professional services and other expenses incurred in connection with the operation of the Partnership.

C. The General Partner is authorized to deposit all funds of the Partnership in a separate bank account or accounts or money funds determined by the General Partner. All withdrawals therefrom shall be made upon checks signed by the General Partner or any person authorized to do so by the General Partner. The funds of the Partnership shall not be comingled with the funds of any other entity or person.

D. The General Partner is specifically authorized and empowered, on behalf of the Partnership, without any consent of the Limited Partners, to do any act or execute any documents or enter into any contract or any agreement of any nature necessary or desirable, in the opinion of the General Partner, in pursuance of the purposes of the Partnership including, without limitation, to enter into and to perform the following agreements:

(1) Agreements to borrow money on a secured or unsecured basis; provided that, in connection with the borrowing of money no creditor shall be granted or acquire, at any time as a result of making such a loan, any direct or indirect interest in the profits, capital or property of the Partnership other than as a secured creditor. The foregoing restriction shall not preclude the General Partner from making loans to the Partnership; provided that, any borrowing from the General Partner shall be on terms not less favorable to the Partnership than would be charged by unaffiliated lenders for similar transactions.

(2) Agreements to employ agents, attorneys, accountants, engineers, or other consultants or contractors who may be affiliates (defined to mean any person directly or indirectly controlling, controlled by or under common control with the General Partner); provided that, any employment of persons who are affiliates must be on terms not less favorable to the Partnership than those offered by unaffiliated persons for comparable services.

E. In addition to the specific rights and powers herein granted to the General Partner, the General Partner shall possess and enjoy and may exercise all the

rights and powers of a general partner as provided in the Uniform Limited Partnership Act of the State of Washington as now existing or hereafter amended.

F. In carrying out his duties and exercising his powers hereunder, the General Partner shall exercise reasonable skill and care and reasonable business judgment. The General Partner shall not be liable to the Partnership or the Limited Partners for any act or omission performed or omitted by him in good faith, pursuant to the authority granted to him by this Agreement, unless such act or omission constitutes negligence or willful misconduct by the General Partner.

G. The Partnership shall indemnify and save harmless the General Partner from any loss or damage incurred by him by reason of any act performed by him on behalf of the Partnership or in furtherance of the Partnership's interests; provided, however, that such indemnification or agreement to hold harmless shall be recoverable only out of the assets of the Partnership and not from the Limited Partners; provided further, that the foregoing indemnity shall extend only to acts or omissions performed or omitted by the General Partner in good faith and in the belief that his acts or omissions were in the Partnership's interest and which are not a result of negligence or misconduct on the part of the General Partner.

H. The General Partner may not assign, sell or withdraw his interest, or any part thereof, in the Partnership, nor admit any person as a substitute or additional General Partner except upon the following terms and conditions:

(1) With the consent of Limited Partners casting more than 50% of the Limited Partnership votes, the General Partner may at any time designate one or more persons to be successors to the General Partner or to be additional General Partners, in each case with such participation in the General Partner's interest as the General Partner and such successors or additional General Partners may agree upon; provided that, the Limited Partners' rights shall not be affected thereby.

(2) Notwithstanding the foregoing, no additional or successor General Partner shall be admitted to the Partnership unless the Partnership shall have received an opinion of counsel satisfactory to the Limited Partners to the effect that giving the consent of the Limited Partners pursuant to Clause (1) above is permitted by the Uniform Limited Partnership Act of Washington and the law of such other jurisdictions in which the Partnership is formed or qualified, will not impair the limited liability of the

Limited Partners and will not adversely affect the classification of the Partnership as a partnership for federal income tax purposes.

I. The General Partner shall have a fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership and all such funds and assets shall be used for the benefit of the Partnership. Neither the General Partner nor any affiliate shall borrow any funds from the Partnership.

10. Limited Partners. No Limited Partner shall take any part in the conduct or control of the Partnership's business nor have any right or authority to act for or on behalf of the Partnership (except a Limited Partner who may also be a General Partner and then only in his capacity as General Partner within the scope of his authority hereunder). No Limited Partner shall be liable for any debts or obligations of the Partnership except to the extent of his capital contributions, his interest in any undistributed assets of the Partnership, and as otherwise provided by law.

11. Third-Party Sales of Interest of a Limited Partner. A limited partner may sell his partnership interest to a third party, but only after it has first been offered to the partnership as follows:

A. The limited partner shall give written notice to the partnership and all partners in writing, by registered mail, that he desires to sell his interest. The limited partner shall attach to that notice the written offer of a prospective purchaser to buy the interest. This offer shall be complete in all details of purchase price and terms of payment. The limited partner shall certify that the offer is genuine and in all respects what it purports to be.

B. The selling Partner shall notify the Partners and the partnership in writing, by registered mail at the latter's last known address, of such offer and provide a copy of said offer. The partnership shall then be allowed forty-five (45) days from the date of receipt of the notice, not counting the day of receiving the same, within which to elect in writing to acquire the interest, or to decline to do so.

C. If the partnership does not exercise its option within the said forty-five (45) day period, each remaining Partner shall have the right for a period of forty-five (45) days thereafter to purchase that portion of the unpurchased interest which equals the proportion which the units owned by each remaining Partner is to the total units owned by all remaining Partners. If one or

more partners fails to exercise this option, each partner who does exercise the option shall have an additional period of ten (10) days within which to purchase the remaining interest. If there is more than one remaining partner to which the preceding sentence applies, those partners shall share the option in the ratio that each of their units bear to the total units owned by the partners purchasing. In the aggregate, the partnership and partners must purchase the entire interest of the terminating partner or forfeit their options.

D. If neither the partnership nor individual partners exercises the option to acquire the interest, the limited partner shall be free to sell the partnership interest to the person, for the price, and on the terms contained in the offer submitted by the Limited Partner.

12. Partnership Interests as Separate Property.

Except for John Arthur and Mildred Grace Johnson, who are taking their interests, both general and limited, as community property, all other partners are taking and agree to maintain their partnership interest as separate property.

13. Transfer at Death or by Gift.

A. Upon his death, any partner holding his interest as separate property may transfer a lifetime interest in that interest to a surviving spouse, in trust or otherwise, with the remainder to his descendants or, should there be no surviving descendants, to one or more of the original partners or their descendants. Any partner may transfer his limited partnership interest by testamentary transfer or by lifetime gift outright or in trust to any of his descendants or to any of the original partners or their descendants.

B. All limited partners agree not to make any testamentary or lifetime transfer by gift in any way inconsistent with paragraph 13A above. Any provisions in a will contrary to the terms of this Agreement or any lifetime transfer inconsistent with said terms shall be null and void and shall give the partnership the right to acquire the limited partnership interest involved pursuant to paragraphs 14 and 15 below, except that the purchase price shall bear no interest and shall be paid out at \$1,000 per year, unless the partnership agrees to pay more favorable terms.

C. Should any partner die intestate with respect to his limited partnership interest, including the partial intestacy that could result from an application of paragraph 13B above, then that initial partnership interest may be purchased by the Partnership pursuant to the terms of paragraph 13B above.

14. Valuation of Partnership and Partnership Interests.

A. The limited partners shall agree in writing, at least once every two years, as to the net value of the partnership. This value shall serve as the basis for possible buyouts pursuant to paragraph 13 above and paragraph 15 below. Should this required valuation not be current at the time of an event triggering a possible buyout, then the partnership shall be valued by an appraiser agreed to by all the limited partners, and his valuation shall be binding on all parties. Should the limited partners be unable to agree to a single appraiser, then the General Partner shall obtain two appraisals, and the average value of the two appraisals shall be the value of the partnership.

B. The purchase price for each partner's interest shall be equal to that interest's proportionate share of the total partnership value as established pursuant to 14A, above, plus:

(1) That interest's share of profit or loss of the partnership, as determined on the date a transfer of the interest is effected by paragraph 7, above;

(2) any amounts added to that interest's capital accounts under paragraph 5D, above;

(3) any credit balance in that interest's drawing accounts, should such an account be established;

and less

(1) any previous withdrawals of capital; and

(2) any debt balance in that interest's drawing account.

15. Right of Limited Partners to Offer Interest to Partnership. Any limited partner may offer his interest for sale to the Partnership at any time. If this offer is accepted by the Partnership, the purchase price shall be determined pursuant to paragraph 14 above. That price shall be paid out, together with interest at the rate of 9% per annum (or at whatever other rate shall then be the minimum interest rate allowed by the Internal Revenue Code without the imputing of interest at a higher rate), in ten equal, annual installments. Should the offer to sell be made by a surviving spouse, the Partnership shall be required to complete the purchase as set forth in this paragraph.

16. Exercise of Partnership's Right to Buy Out. The Partnership may exercise its rights to buy out or to alter the terms of those buy outs only upon the approval of limited partners pursuant to paragraph 20D below.

17. Advances by the General Partner. The General Partner may, in the General Partner's discretion, advance monies to the Partnership for use by the Partnership in its operations. The aggregate amount of such advances shall become an obligation of the Partnership to the General Partner and shall be repaid with interest (at an annual rate not exceeding the rate which would be charged by commercial banks for similar loans) to the General Partner out of the gross receipts of the Partnership before any Limited Partner receives any cash distribution. No prepayment charge or penalty shall be required on such a loan to the Partnership. Such advances shall be deemed a loan by the General Partner to the Partnership and shall not be deemed a capital contribution.

18. Accounting.

A. The fiscal year of the Partnership shall be the calendar year.

B. The General Partner shall cause to be kept full and accurate records of all financial activities and transactions of the Partnership. Such expenses for bookkeeping shall be an expense of the partnership.

C. The records and books of account shall be maintained in accordance with the accounting principles used for federal income tax purposes. Financial statements will be prepared in accordance with generally accepted accounting methods. Such records and books of account may be audited at Partnership expense as of the end of each fiscal year of the Partnership and at any other time that the General Partner may deem necessary or desirable by a firm of independent Certified Public Accountants, selected by the General Partner.

19. Reports, Statements and Records.

A. The General Partner shall send at Partnership expense to each Limited Partner the following:

(1) Within 75 days after the end of each fiscal year of the Partnership, such information as shall be necessary for the preparation by such Limited Partner of his federal income tax return. Such information shall include a computation of the distributions to such Limited Partner and the allocation to such Limited Partner of the profits or losses, as the case may be; and

(2) Within 120 days after the end of each fiscal year of the Partnership, an annual report including:

(a) A balance sheet, and a statement of income and expenses, a statement of sources and uses of funds, and a statement of changes in Partners' capital, prepared in accordance with generally accepted accounting principles;

(b) A statement of the balances in the capital accounts of the Limited Partners and of the General Partner; and

(c) A report of the activities of the Partnership during such fiscal year, which shall include a statement of fees paid and/or due to the General Partner.

B. Limited Partners shall be entitled, upon written request directed to the General Partner, to (1) review the records of the Partnership at reasonable times and at the location where such records are kept by the Partnership, and, (2) obtain a list of the names, addresses and interests of the Limited Partners.

20. Voting Rights and Voting Method of the Limited Partners.

A. Limited Partners shall have the right to vote upon the following matters affecting the basic structure of the Partnership:

- (1) Removal of a General Partner;
- (2) Election or substitution of the General Partner;
- (3) Termination of the Partnership;

(4) Amendment of this Agreement, but not as to the matters set forth in Sections 5, 6, 7, 8, 9, 10, 14 and 22, which may be amended only with the consent of the General Partner; provided that, no such amendment shall increase the Limited Partners' liabilities or obligations to make capital contributions to the Partnership; and

(5) Any proposal by the General Partner to enter into a transaction entailing the sale of all or substantially all of the assets of the Partnership.

B. Upon the written request of Limited Partners owning ten percent (10%) or more of the Limited Partnership interests, the General Partner shall call a meeting of the Partners. Notice of such meeting shall be given within 10 days after, and the meeting shall be held within 60 days after, receipt of such request. Meetings may also

be called by the General Partner or the General Partner may call for a vote of the Limited Partners without a meeting on matters on which they are entitled to vote at any time. All expenses of the calling of meetings and the meetings themselves shall be borne by the Partnership.

C. Each percentage of ownership held by Limited Partners shall be entitled to one vote at Partnership meetings. However, the 70 votes to be initially held by John Arther and Mildred Grace Johnson must be voted as a block. Lack of agreement between John and Mildred shall mean a loss of those votes, and decisions will be made by the remaining 20 votes.

D. Unless otherwise specified in this Agreement, the affirmative vote of Limited Partners casting more than 50% the Limited Partnership votes shall be required to approve any matter on which the Limited Partners vote.

21. Dissolution and Termination.

A. The dissolution of the Partnership shall occur only upon the events provided in Section 4. Each Limited Partner shall look solely to the assets of the Partnership for all distributions with respect to the Partnership and his capital contribution thereto and share of profits or losses thereof and shall have no recourse therefore, upon dissolution or otherwise, against the General Partner or any other Limited Partner. The General Partner shall proceed with the liquidation and winding up of the business of the Partnership and the proceeds of such liquidation shall be applied and distributed in the following order of priority:

(1) To the payment of debts and liabilities of the Partnership (other than any loans or advances that may have been made by any General Partner to the Partnership) and the expenses of liquidation.

(2) To the repayment of any loans or advances that may have been made by any General Partner to the Partnership, but if the amount available for such repayment shall be insufficient, then pro rata on account thereof.

(3) To the setting up of any reserves which the General Partner may deem necessary for any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership. Such reserves shall be placed in escrow by the General Partner to be held for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies, and,

at the expiration of such period as the General Partner shall deem advisable, to distribute the balance thereafter remaining in the manner provided herein.

(4) To the Partners, in an amount equal to the balance of each Partner's capital account; provided that, if the value of such proceeds is insufficient for such payment, then the proceeds shall be distributed prorata on account thereof.

(5) Finally, any remaining amounts shall be distributed to all Partners in accordance with their share of Partnership profits.

B. A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to minimize the normal losses attendant upon liquidation.

C. Each of the Limited Partners shall be furnished with a statement prepared at Partnership expense by the General Partner, which shall set forth the assets and liabilities of the Partnership at the commencement of liquidation and an accounting with respect to the liquidation. When the General Partner has completed the liquidation and distribution, the Limited Partners shall cease to be such, and the General Partner, as the remaining partner of the Partnership, shall execute, acknowledge and cause to be filed a certificate of cancellation of the Partnership.

22. Removal of General Partner. In the event of the removal of a General Partner, his interest as General Partner in the Partnership shall be appraised at Partnership expense by two independent appraisers, one selected by the removed General Partner and one by the Limited Partners. In the event that such two appraisers are unable to agree on the value of the removed General Partner's interests, then the value shall be the average of the two determinations. The Partnership shall pay the removed General Partner for the value of his interest as determined by delivery of a promissory note bearing interest at the rate of twelve percent (12%) per annum with interest payable annually and principal payable, if at all, from any cash distributions which the removed General Partner otherwise would have been entitled to receive pursuant to this Agreement. Any amounts received pursuant to this Section shall constitute complete and full discharge for all amounts owing to the removed General Partner on account of his interest in the Partnership.

23. Special and Limited Power of Attorney.

A. The General Partner shall at all times during the existence of the Partnership have a special and limited power of attorney as the attorney in fact for each Limited Partner, with power and authority to act in the name and on behalf of each Limited Partner to make, execute, acknowledge and file the following documents and any other documents deemed by the General Partner to be necessary to the business of the Partnership:

(1) This Agreement, any separate certificates of limited partnership, fictitious business name statements, as well as any amendments to the foregoing which, under the laws of any state, are required to be filed or which the General Partner deems it advisable to file;

(2) Any other instrument or document which may be required to be filed by the Partnership under the laws of any state or by any governmental agency, or which the General Partner deems it advisable to file; and

(3) Any instrument or document which may be required to effect the continuation of the Partnership, the admission of an additional Limited Partner, or the dissolution and termination of the Partnership (provided such continuation, admission or dissolution and termination is in accordance with the terms of this Agreement), or to reflect any reductions in amount of contributions of partners.

B. The special and limited power of attorney granted to the General Partner hereby:

(1) Is a special and limited power of attorney coupled with an interest, is irrevocable, shall survive the death or incompetency of the granting Limited Partner, and is limited to those matters herein set forth;

(2) May be exercised by the General Partner for each Limited Partner by listing all of the Limited Partners executing any instrument with a single signature of each of the General Partners acting as attorney in fact for all of them; and,

(3) Shall survive an assignment by a Limited Partner of all or any portion of his percentage; except that, where the assignee of the percentage owned by a Limited Partner has been approved by the General Partner for admission to the Partnership, the special and limited power of attorney shall survive such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument or document necessary to effect such assignment.

24. Miscellaneous.

A. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or to the same counterpart.

B. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto and shall be construed in accordance with, and governed by, the laws of the State of Washington.

C. In the event that any provision of this Agreement or the application thereof to any person or in any circumstance shall be invalid, unlawful or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those of which it is determined to be invalid, unlawful or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall continue to be valid and may be enforced to the fullest extent permitted by law.

D. All notices under this Agreement shall be in writing and shall be given to the Limited Partner entitled thereto, by personal service or by mail, postage prepaid, addressed to the address of each Limited Partner to such address as may be specified in writing by a Limited Partner to the General Partner.

E. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

F. Whenever required by the context hereof, the singular shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders, and vice versa; and the word "person" shall include a corporation, partnership, firm or other form of association.

WITNESS our hands and seals:

GENERAL PARTNER

JOHN ARTHUR JOHNSON

STATE LEASE/CONTRACT

BOND NO. 5759854

DOUGLAS FAULDS & DONNA ERNST DBA:
KNOW ALL MEN BY THESE PRESENTS: THAT WE, PORT WASHINGTON MARINA ASSOC. of
EDMONDS, WASHINGTON as Principal, and SAFECO INSURANCE COMPANY OF AMERICA
WASHINGTON a corporation organized under the laws of the state of
Washington, as Surety, are held and firmly bound unto the state of Washington, in the full
and just sum of TWENTY-FIVE THOUSAND AND NO/100THS dollars (\$25,000.00--), for which sum,
well and truly to be paid, we bind ourselves, our heirs, executors, administrators,
successors and assigns, jointly and severally firmly by these presents.

SEALED WITH OUR SEALS AND DATED THIS 24th DAY OF August, 1993.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the Principal has entered into an agreement with the state of Washington, acting
by and through the Department of Natural Resources, dated July 30, 1993,
1993, under the Lease/Contract No. 22-002332 for rights described in same for the
following described land situated in the County of Snohomish, state of
Washington to wit:

WHEREAS, the Principal has been required to file a bond in the sum of
Twenty-five thousand and no/100 Dollars (\$ 25,000.00--), to guarantee compliance with all
terms and conditions of Lease/Contract, issued under Application No. 22-002332
including the payment of all sums due the State and all damages accrued to the State by
reason of operations under this agreement. The expiration date of this agreement is
July 30, 1994 (same day of the year as anniversary date of the lease) unless extended as
provided below.

NOW, THEREFORE, if the said Principal shall comply with all terms and conditions of said
Lease/Contract as set forth in the preceding paragraph, then this obligation is to be
void, otherwise to remain in full force and effect.

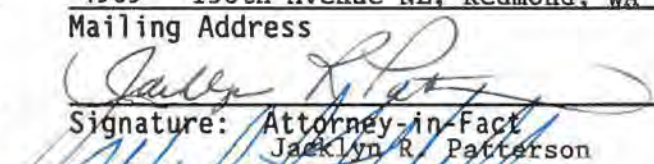
XX (Check if not a bond for
entire lease term.) The
obligation of the Surety under
this agreement shall
automatically be extended an
additional one year period
from the expiration date
hereof unless the surety
notifies the State of Surety's
intention not to renew ninety
days prior to the expiration
of this bond.


Signature: PrincipalTitle OWNERS1530 - 9th Avenue North, Edmonds, WA 98020
Mailing Address

Bond Approval:

SAFECO INSURANCE COMPANY OF AMERICA
Surety

Date _____

4909 - 156th Avenue NE, Redmond, WA 98052
Mailing AddressLEASE ADMINISTRATOR
Division of Aquatic Lands
Signature: Attorney-in-Fact
Jacklyn R. Patterson
Signature: Washington Resident Agent

(Surety's Seal)

INSURANCE SERVICES GROUP
Agency1309 114TH AVE SE, SUITE 301
Mailing AddressBELLEVUE, WA



POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98105

No. 9389

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

***** JACKLYN R. PATTERSON *****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 4th day of January, 19 93.

R. A. Pierson
R. A. PIERSON, SECRETARY

Don D. W. Sean
DONALD WILSON, PRESIDENT

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
 - (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
 - (iii) Certifying that said power-of-attorney appointment is in full force and effect,
- the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 24th day of August, 19 93.



R. A. Pierson
R. A. PIERSON, SECRETARY

PRODUCER HALLER INSURANCE SERVICES, INC. 1309 114TH AVE SE, SUITE 301 BELLEVUE WA 98004	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. [Companies Affording Coverage]
INSURED DOUGLS FAULDS & DONNA ERNST DBA: PORT WASH MARINA ASSOC 1530 9TH AVENUE NORTH EDMONDS WA 98020	Company A SAFECO INSURANCE COMPANY Company B Company C Company D Company E

COVERAGES This is to certify that the Policies of Insurance listed below have been issued to the Insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

CO LTR	TYPE of INSURANCE	POLICY NO.	POLICY EFF DATE	POLICY EXP DATE	LIMITS
[A]	GENERAL LIABILITY [✓]Commercial Gen Liab []Clms Md [✓]Occur [] []Owner's & Contract. Protection [] []:	CP 8467546	07/30/93	07/30/94	Genl Aggr. \$2,000,000 Pd-Cp/Op Ag \$2,000,000 Pl&Adv.Inj. \$1,000,000 Each Occ. \$1,000,000 FireDam/1fi \$1,000,000 Med Exp/1pr \$1,000
[]	AUTOMOBILE LIABILITY []Any Auto []All Owned Autos []Scheduled Autos [A] [✓]Hired Autos [A] [✓]Non-Owned Autos []Garage Liability	CP 8467546	07/30/93	07/30/94	CSL \$1,000,000 BI/person \$ BI/accdnt \$ Prop.Damg. \$
[A]	EXCESS LIABILITY [✓]Umbrella Form []Other than Umb Form	UL 8467546	07/30/93	07/30/94	Each Occr. \$1,000,000 Aggregate \$1,000,000
[]	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				[]STATUTORY LIMITS Ea. Acc. \$ Dis.Pol. \$ Ea.Empl. \$
[]	OTHER				\$

DESCRIPTION of Operations/Locations/Vehicles/Special Items
 RE: VERIFICATION OF INSURANCE AND ADDITIONAL INSURED TO BE:
 DEPARTMENT OF NATURAL RESOURCES ACQUATIC LANDS ATTN: BRAD PRUITT
 1111 WASHINGTON STREET SE PO BOX 47027 OLYMPIA, WA 98504-7027

CERTIFICATE HOLDER Dept of Natural Resources Aquatic Lands PO Box 47027 1111 Washington Street SE Olympia, WA 98504-7027 ATTN: BRAD PRUITT 25-S(7/90)	CANCELLATION: Should any of the above policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail [30] days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives. AUTHORIZED REPRESENTATIVE: <i>[Signature]</i>
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PRODUCER HALLER INSURANCE SERVICES, INC. 1309 114TH AVE SE, SUITE 301 BELLEVUE WA 98004	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. [Companies Affording Coverage]
INSURED DOUGLS FAULDS & DONNA ERNST DBA: PORT WASH MARINA ASSOC 1530 95TH AVENUE NORTH EDMONDS WA 98020	Company A SAFECO INSURANCE COMPANY Company B Company C Company D Company E

COVERAGES

This is to certify that the Policies of Insurance listed below have been issued to the Insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

CO LTR	TYPE of INSURANCE	POLICY NO.	POLICY EFF DATE	POLICY EXP DATE	LIMITS
[A]	GENERAL LIABILITY [✓]Commercial Gen Liab []Clms Md [✓]Occur [] []Owner's & Contract. Protection [] []:	CP 8467546	07/30/93	07/30/94	Genl Aggr. \$2,000,000 Pd-Cp/Op Ag \$2,000,000 Pl&Adv. Inj. \$1,000,000 Each Occ. \$1,000,000 FireDam/1fi \$1,000,000 Med Exp/1pr \$1,000
[]	AUTOMOBILE LIABILITY []Any Auto []All Owned Autos []Scheduled Autos [A] [✓]Hired Autos [A] [✓]Non-Owned Autos []Garage Liability	CP 8467546	07/30/93	07/30/94	CSL \$1,000,000 BI/person \$ BI/accdnt \$ Prop.Damg. \$
[A]	EXCESS LIABILITY [✓]Umbrella Form []Other than Umb Form	UL 8467546	07/30/93	07/30/94	Each Occr. \$1,000,000 Aggregate \$1,000,000
[]	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				[]STATUTORY LIMITS Ea. Acc. \$ Dis.Pol. \$ Ea.Empl. \$
[]	OTHER				\$

DESCRIPTION of Operations/Locations/Vehicles/Special Items
 VERIFICATION OF INSURANCE AND ADDITIONAL INSURED TO BE:
 STATE OF WASHINGTON DEPT OF NATURAL RESOURCES
 COMMISSIONER OF PUBLIC LANDS OLYMPIA, WA 98504

CERTIFICATE HOLDER
 STATE OF WASHINGTON
 DEPT OF NATURAL RESOURCES
 COMM OF PUBLIC LANDS
 OLYMPIA WASHINGTON
 98504
 25-S(7/90)

CANCELLATION: Should any of the above policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail [30] days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.
 AUTHORIZED REPRESENTATIVE: *[Signature]*

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Jennifer M. Belcher
Commissioner of Public Lands
Olympia, Washington 98504

AQUATIC LANDS LEASE NO. 22-002332

THIS LEASE AGREEMENT ("Lease") is made and entered into by and between the STATE OF WASHINGTON, acting in its proprietary capacity by and through the Department of Natural Resources (collectively referred to as "State"), and PORT WASHINGTON MARINA CONDOMINIUM OWNER'S ASSOCIATION, a Washington corporation ("Lessee").

WHEREAS, State is the owner of that certain real property consisting of aquatic lands located in Kitsap County, Washington, the survey of which is set forth in Exhibit A, attached hereto and incorporated herein;

WHEREAS, Lessee desires to lease the Property from State, and State desires to lease the Property to Lessee, pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions set forth herein, the parties hereto agree as follows:

1. PROPERTY

1.1 Property.

(a) For and in consideration of Lessee's covenant to pay the Rent and other sums for which provision is made in this Lease, and the performance of the other covenants and obligations of Lessee hereunder, State leases to Lessee and Lessee leases from State that certain real property described in Exhibit A including all improvements thereon.

(b) The real property which is leased includes public aquatic land together with the right to occupy the water column and water surface in accordance with Subsection 5.3, for Lessee, its customers, invitees, approved sublessees, and employees. Said real property and rights leased thereby are herein referred to as the "Property."

(c) Except as is necessary to carry out Lessee's permitted use under Subsection 5.3, State does not convey: any right to disturb, alter, or modify the aquatic land; any right to harvest or collect any sea life or living plants from the aquatic land, the water column, or water surface; any right to excavate or withdraw sand, gravel, minerals, gas, oil or other material; any water rights; or any mineral rights.

(d) Lessee's rights are subject to all rights of the public, including all rights of the public which State holds in trust, under the public trust doctrine.

(e) Lessee's rights are further subject to valid easements and encumbrances of record as of the date of execution hereof as noted in the records of Kitsap County, or on file in the Office of the Commissioner of Public Lands, Olympia, Washington.

(f) In executing this Lease, State is relying on a survey provided by the Lessee. The Lessee expressly assumes all liability for the correctness thereof and expressly agrees to indemnify and save harmless State, its employees, officers, and agents for all liability, damages (including damages to land, aquatic life and other natural resources), expenses, causes of action, suits, claims, costs, fees (including attorneys' fees and costs), penalties (civil and criminal) or judgments arising out of State's use of or reliance on the Lessee's survey.

1.2 Replacement of Prior Leases. This lease replaces and cancels Lease Nos. 22-002332, 22-002399 and 22-002396, having commencement dates of November 1, 1974, May 7, 1976, and November 1, 1976 respectively.

2. TERM

2.1 Term. The term of this Lease is thirty (30) years, commencing on August 1, 1993, which date shall be referred to as the "Commencement Date" of the term of this Lease, and ending on July 31, 2023. The date upon which this Lease terminates, whether at the end of the above stated term or upon such earlier date in the event the Lease is terminated, or canceled for any reason prior to the end of said period, shall be referred to as the "Termination Date." The period between the Commencement Date and Termination Date is referred to herein as the "Term" of this Lease.

2.2 Authority. This lease is entered into by State pursuant to the authority granted in Chapter 79.90 RCW et seq. and the Constitution of the state of Washington.

3. RENT

3.1 Annual Rent.

(a) Lessee agrees to pay an initial annual rent in the amount of \$1,390.69, and subsequent rent, as determined by State in accordance with RCW 79.90.450 - .902, or such laws as hereafter shall be applicable ("Rent").

(b) Rent is due and payable by Lessee to State and is the essence of this Lease, and is a condition precedent to the continuance of this Lease or any rights thereunder.

(c) Payment is to be made in advance on or before the Commencement Date in the amount of \$1,390.69 and a like sum, as adjusted or revalued as provided for herein, on or before the same day of each and every subsequent year of the Term.

(d) Payment is to be made to State in care of the Department of Natural Resources, Division of Financial Services, 1111 Washington Street SE, PO Box 47041, Olympia, Washington 98504-7041. In the event Lessee has not received a statement from State prior to the date payment is due under Subsection 3.1(c) above, Lessee shall pay an amount equal to the previous year's rent prior to that payment date, and shall pay the remainder, if any, within thirty (30) days of billing by State.

3.2 Revaluation of Rent. State shall, on August 1, 1993, and at the end of each subsequent four-year period of the Term, revalue the annual rental in accordance with RCW 79.90.450 - .902 or such other laws and regulations of the Department of Natural Resources as are now or hereinafter shall be applicable. State shall not waive its right to revalue rent under this section by any failure to revalue at the end of a particular four-year period and shall retain the authority to revalue Lessee's rent and to bill Lessee retrospectively based on that revalued rent at any point subsequent to any four-year anniversary date.

3.3 Inflation Adjustment. After the initial year of the Term, State will adjust each year's Rent thereafter, exclusive of the years in which Rent is revalued under Subsection 3.2 hereof, in accordance with RCW 79.90.450 - .902 and such other laws and regulations of the Department of Natural Resources as are now or hereinafter shall be applicable.

3.4 Interest Penalty for Past-Due Rent and Other Sums Owed. Lessee shall pay interest at the rate of one percent (1%) per month (or at such higher rate as may be authorized by statute subsequent to the Commencement Date hereof), until paid, on Rent or other sums owing under the terms of this Lease commencing the next day after the date such Rent or other sum is due and payable. In the event State pays any sum or incurs any expense which Lessee is obligated to pay under this Lease, or which is made on behalf of Lessee, State shall be entitled to receive reimbursement thereof from Lessee upon demand, together with interest thereon from the date of expenditure at the rate stated above.

3.5 Allocation of Rent. The Rent for the first year has been established based upon the use of the Property as described in Subsection 5.3 below. In the event Lessee changes the use of any portion of the Property, which change must be approved by State under Subsection 5.3 below, the rental rate to be paid for that portion of the area affected by such change of use shall be subject to adjustment to the then effective rental rate for the changed use for that portion of the Property.

3.6 Rent for Improvements.

(a) In Section 6, Lessee and State have determined ownership of improvements on the Property. In accord with RCW 79.90.515, the Rent set forth in Subsection 3.1 above includes no rental charge for improvements on the Property at this time. The State does reserve the right to charge rent for state-owned improvements in accord with RCW 79.90.515.

(b) In the event the restrictions on State's ability to charge rent for improvements contained in RCW 79.90.515 are removed in whole or in part, State reserves the right to increase the rent during any portion of the Term after such removal, to the extent then allowed based upon the then fair market value of such improvements owned by State.

4. OTHER EXPENSES

4.1 Utilities. From and after the Commencement Date, Lessee shall pay all expenses incurred in the use, enjoyment, and operation of the Property, including, but not limited to all charges for electricity, water, gas and telephone and all other utility services used on the Property. Lessee shall indemnify and hold State harmless against and from any loss, liability, or expense resulting from any failure of Lessee to pay all charges when due.

4.2 Leasehold Taxes. From the Commencement Date and continuing throughout the Term, Lessee, unless exempt, shall pay to State the "Leasehold Tax" established and defined in Chapter 82.29A RCW. The Leasehold Tax shall be due and payable at the same time the rental charged herein is due and payable. Payment is to be made to the Department of Natural Resources, Division of Financial Services, 1111 Washington Street SE, PO

Box 47041, Olympia, Washington 98504-7041. Any delinquent Leasehold Tax shall be a debt to State, and in the event any penalties or interest are due because of the failure of Lessee to timely pay the Leasehold Tax, such penalties shall be payable by Lessee to State.

4.3 Other Taxes and Assessments.

(a) The term "Taxes," as used herein, shall mean all taxes and other governmental charges, general and special, ordinary and extraordinary, of any kind whatsoever, applicable or attributable to the Property, Lessee's leasehold interest therein, improvements thereon, or Lessee's use and enjoyment thereof, excluding Leasehold Taxes, defined in Subsection 4.2, and Assessments as defined below. Unless exempt, Lessee shall pay when due all Taxes commencing with the Commencement Date and continuing throughout the Term.

(b) The term "Assessments," as used herein, shall mean all assessments for public improvements or benefits which heretofore or during the Term shall be assessed, levied, or imposed upon, or become due and payable, or become a lien upon the Property, any improvements constructed thereon, the leasehold estate created hereby, or any part thereof. Lessee shall not cause or suffer the imposition of any Assessment upon the Property, without the prior written consent of State. In the event any Assessment is proposed which affects the Property, any improvements constructed thereon, the leasehold estate created hereby, or any part thereof, Lessee shall promptly notify State of such proposal after Lessee has knowledge or receives notice thereof. Any Assessment upon the Property shall be made in compliance with all applicable statutes, including, but not limited to, Chapter 79.44 RCW. Lessee shall pay the total amount of all Assessments levied. In no event shall State be obligated to pay any Assessment or any portion thereof levied or created during the Term, irrespective of whether such Assessment or any portion thereof was specifically allocated to the Property or State's reversionary interest therein. No Assessment shall be payable in installments without State's prior written consent, which State may condition upon the posting by Lessee of a satisfactory bond guaranteeing the payment of such installments as they become due.

4.4 Payment Date and Proof. Lessee shall pay all payments for Taxes and Assessments at the time due. Lessee shall, if required by State, furnish to State receipts or other appropriate evidence establishing the payment of such amounts. Lessee may comply with this requirement by retaining a tax service to notify State when the taxes have been paid.

4.5 Failure to Pay.

(a) In the event Lessee fails to pay any of the expenses or amounts specified in this Section 4, State may, but shall not be obligated to do so, pay any such amount and the amounts so paid shall immediately be due and payable by Lessee to State and shall thereafter bear interest at the rate specified in Subsection 3.4 above.

(b) Any failure to pay any expense or amount specified in this Section 4 or any other amount to be paid by Lessee under the term of this Lease shall be a material breach hereunder by Lessee and such breach shall entitle State to pursue all remedies specified in this Lease, and all remedies otherwise available to it in law or equity, including the rights to terminate this Lease and to pursue the remedies available pursuant to Chapter 59.12 RCW.

4.6 No Counterclaim, Setoff, or Abatement of Rent. Rent and all other sums payable by Lessee hereunder shall be paid without the requirement of prior notice or demand by State, and shall not be subject to any counterclaim, setoff, deduction or defense and without abatement. The obligations and liabilities of Lessee hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of:

(a) Any damage to, or destruction of, or any taking of the Property, or improvements on the Property, or any part thereof (except as allowed in Section 11 or 12);

(b) Any restriction of, or prevention of, or interference with any use of the Property, improvements, or any part thereof, which does not result in the eviction of Lessee therefrom (except as allowed in Section 10);

(c) Any title defect or encumbrance upon the Property or any part thereof which does not result in the eviction of Lessee therefrom;

(d) Any claim which Lessee has or might have against State;

(e) Any failure on the part of State to perform or comply with any of the terms hereof or of any other agreement with Lessee so long as such failure to perform or comply does not have the result of eviction of Lessee from the Property.

4.7 Right to Contest. Lessee may contest the basis or amount of any Leasehold Taxes, Taxes, or Assessments at its sole cost and expense so long as Lessee shall furnish State with a bond or other security reasonably acceptable to State, and otherwise in compliance with law, in the full amount of such amount contested.

5. POSSESSION AND USE

5.1 Possession at Commencement Date. If for any reason whatsoever State does not deliver possession of the Property or a portion thereof at the Commencement Date, Rent shall be abated until such date as possession of the Property is tendered by State, and in all other respects this Lease shall remain in full force and effect and the Term shall not be extended thereby. If in the interim, Lessee shall take possession of any portion of the Property, Lessee shall pay the full Rent specified herein reduced pro rata for the portion of the Property not available for possession by Lessee. In no event shall State be liable for damages caused by failure to deliver possession of the Property.

5.2 Inspection. Lessee has inspected and made an independent investigation of the Property and will accept the same on the Commencement Date in its present condition.

5.3 Permitted Use. Lessee shall have use of the Property only for the specified purposes of maintaining finger floats, docks, and fixed piles to provide vessel moorage for a privately-owned and operated marina, and for no other purpose whatsoever. State's prior written consent shall be required for any change in use of the Property or any portion thereof.

5.4 Entry.

(a) State shall have access to the Property at all reasonable times for the purpose of inspecting the Property and securing compliance with the terms and conditions of this Lease. State shall exercise its right of access in a manner that will not unreasonably interfere with Lessee's permitted use of the Property.

(b) The right reserved in Subsection 5.4(a) above includes the right to perform or have performed such environmental tests, audits, surveys or investigations as State, in its sole discretion, deems appropriate. Such tests, audits, surveys, or investigations may include, but shall not be limited to, the determination of whether Lessee is improperly storing, handling or disposing of Hazardous Substances, as defined in Subsection 5.6(d) below, or of refuse, as defined in Subsection 5.6(b) below.

(c) This reserved right imposes no obligation upon State to make inspections, tests, audits, surveys, or investigations and shall impose no liability upon State for failure to do so. This reserved right is in addition to and separate from Lessee's obligation to test under Subsection 5.6(d)(3) below.

5.5 State's Right to Grant Easements. State reserves the right to grant easements and other land uses on the Property to others when the easement or other land uses will not unduly interfere with Lessee's permitted use under Subsection 5.3. State will notify Lessee of any easement or other land use request by third parties. No easement or other land uses shall be granted to third parties until payment for any damages to the leasehold have been paid to Lessee by the third party or a waiver of damages is signed by Lessee.

5.6 Restrictions on Use.

(a) Conformance With Laws.

1. Lessee shall, at its own expense, conform to all applicable laws, regulations, permits, orders or other directives of any public authority affecting the Property or Lessee's use or occupation of the Property.

2. Lessee shall, at its own expense, obtain all regulatory or proprietary consents or approvals required to be obtained from any public authority or third party in connection with any work on the Property (including, but not limited to, the construction, repair, or replacement of any improvements) or Lessee's use or occupation of the Property.

3. Upon the State's request, Lessee shall provide, at its own expense, evidence of compliance with Subsections 1 and 2 above (including, but not limited to, copies of permits, licenses, or orders).

4. Lessee shall correct, at Lessee's own expense, any failure of compliance with the terms of Subsections 1 through 3 above.

(b) Refuse. Lessee shall not make, or suffer to be made, any filling in of the Property or any deposit of rock, earth, ballast, refuse, garbage, waste matter (including chemical, biological or toxic wastes), hydrocarbons, any other pollutants, or other matter within or upon the Property, except as approved in writing by State. If Lessee shall fail to remove all nonapproved fill material, refuse, garbage, wastes or other of the above materials from the Property and restore the Property to its condition immediately prior to the deposition of the unauthorized material, Lessee agrees that State may remove such materials and charge Lessee for the cost of removal and disposal together with interest thereon from the date of expenditure at the rate specified in Subsection 3.4 above.

(c) Waste. At all times during the Term, Lessee shall neither commit nor suffer waste to be committed to the Property.

(d) Hazardous, Toxic, or Harmful Substances.

1. Lessee shall not keep, use, dispose, transport, generate, and/or sell on or about the Property, any substances now or hereinafter designated as, and/or containing components now or hereinafter designated as, and/or which are subject to regulation as, hazardous, toxic, dangerous, or harmful by any federal, state or local law, regulation, statute or ordinance, including but not limited to RCRA, CERCLA, SARA, and the Washington Model Toxic Control Act (hereinafter collectively referred to as "Hazardous Substances"), in violation of any such law, regulation, statute, or ordinance.

2. Lessee shall promptly notify State of all spills or releases of any Hazardous Substances, which are otherwise required to be reported to any federal, state, or local regulatory agency and, upon notice thereof, shall promptly notify State of all failures to comply with any federal, state, or local law, regulation or ordinance, as now enacted, or as subsequently enacted or amended, all inspections of the Property by any regulatory entity concerning the same, all regulatory orders or fines, and all response or interim cleanup actions taken by or proposed to be taken by any government entity or private party on the Property.

3. Lessee agrees to conduct, at its own expense, all tests, audits, surveys, or investigations requested by State, in writing, during the Term of the Lease as are reasonable and necessary to ascertain the existence, scope, or effects of Hazardous Substances on the Property, adjacent property, or associated natural resources where State has reason to believe the Hazardous Substances result from or are associated with Lessee's use, occupation, or control of the Property or adjacent property by Lessee, any predecessor-in-interest of Lessee, or any entity related to Lessee, and to provide the results of such tests, audits, surveys, or investigations to State. If Lessee fails to conduct such tests, State may conduct such tests and State shall be entitled to receive full reimbursement from Lessee upon demand, together with interest thereon from the date of expenditure at the rate stated above.

4. Lessee shall be fully and completely liable to State, and shall waive any claims against State for contribution or otherwise, and shall indemnify, defend, and save harmless State and its agencies, employees, officers, directors, and agents with respect to any and all liability, damages (including damages to land, aquatic life, and other natural resources), expenses, causes of action, suits, claims, costs (including testing, auditing, surveying, and investigation costs), fees (including attorneys' fees and costs), penalties (civil and criminal), and response, cleanup, or remediation costs assessed against or imposed upon Lessee, State, or the Property, as a result of Lessee's control of the Property, or Lessee's use, disposal, transportation, generation and/or sale of Hazardous Substances or that of Lessee's employees, agents, assigns, sublessees, contractors, subcontractors, licensees, permittees, or invitees, and for any breach of this Subsection 5.6(d).

(e) Marine Plastics Act. Lessee shall, in addition to compliance with all other applicable laws and regulations, comply with the Marine Plastic Pollution Research and Control Act of 1987 (Public Law 100-220). Under that Act, Lessee may be required among other things to provide waste reception facilities, permit Coast Guard inspection of the adequacy of these facilities, and provide for waste handling and disposition.

(f) Lessee to Take Corrective Action. The parties expressly agree that Lessee will, at its own expense, upon any failure to comply with the above Subsections 5.6(a)-(e), and upon direction to do so by State, take corrective or remediation action measures satisfactory to State to restore the Property, as nearly as possible, to the condition the Property would have been in absence of such failure to comply (with lack of or failure to expend funds not to adversely affect the possibility of restoration). If Lessee fails to do so, Lessee agrees that State may take such corrective action and State shall be entitled to receive full reimbursement therefore from Lessee upon demand, together with interest thereon from the date of expenditure at the rate in Subsection 3.4 above.

5.7 Development Rights. Lessee shall not undertake development of the Property except in accordance with Subsection 5.3 above. Lessee shall not represent to any person, governmental body, or other entity, that Lessee is the fee owner of the Property, nor shall Lessee execute any petition, application, permit, plat, or other document on behalf of State as the "owner" of the Property without State's express written consent which may be withheld for any reason whatsoever. Lessee, in its own name and as Lessee under this Lease, may execute and apply for permits, petitions, or applications in connection with work allowed pursuant to Subsection 5.3 above. Lessee shall notify State in writing of any proposed or pending governmental action of which Lessee receives written notice which affects the Property, its zoning or the right to develop the Property for any future use.

5.8 Control and Indemnification. During the Term of this Lease, Lessee shall have exclusive control and possession of the Property (subject to easements or other land uses that may be granted under Subsection 5.5, and any interference by third parties as identified in Subsection 10.2), and State shall have no liabilities, obligations, control, or responsibilities whatsoever with respect thereto, or with respect to any plans or specifications submitted to State pursuant to this Lease, or improvements or repairs made to the Property or any activity conducted thereon. State's approval or disapproval of any such plans and specifications or improvements shall not render State liable therefore.

6. IMPROVEMENTS

6.1 Authorized Improvements.

(a) Existing Improvements. There are constructed upon the Property as of the date of this Lease, the following improvements: 60 wood pilings. All of the improvements on the Property as of the date of this Lease shall be considered to be the property of Lessee

("Lessee-owned Improvements"). Lessee acknowledges ownership of, and responsibility for, all Lessee-owned Improvements.

(b) New Improvements.

1. Any improvements made to the Property during the Term, subject to the exclusion below, shall be referred to herein as "New Improvements." New Improvements shall not include: any construction, reconstruction, alteration, or addition to the existing Improvements on the Property made by Lessee pursuant to its obligation to maintain the Property in good order and repair, including, without limitation, repairs, replacements, reconstruction, alterations, or additions made pursuant to Subsections 9.2 or 11.1 below; or any unauthorized improvements made to the Property. New Improvements shall include any material changes, alterations, or modifications to the Existing Improvements, not excluded by the preceding sentence.

2. No New Improvements shall be placed on the Property without the prior written consent of State. There are authorized to be constructed upon the Property, as of the date of this Lease, the following improvements: None. Construction, reconstruction, alteration, or additions to the Existing Improvements on the Property made by Lessee pursuant to its obligation to maintain the Property in good order and repair may be undertaken by Lessee after written notice to State and State's prior written consent shall not be required.

3. All improvements, repairs, alterations, maintenance, and replacements to the Property shall be made in a good and workmanlike manner and in compliance with all applicable building and zoning codes, shorelines management, health, safety, and environmental laws and other legal requirements.

4. The plans and specifications for any and all New Improvements including amendments of such plans and specifications, shall be submitted to State for its prior approval, which approval will not be unreasonably withheld.

(c) Ownership. All new improvements authorized under Subsection 6.1(b) made to the Property or installed thereon by Lessee during the Term, , shall remain the property of Lessee until the Termination Date, whether such date occurs at the end of the stated term of this Lease or upon earlier cancellation, termination, or surrender, at which time ownership of said improvements shall, at State's option, revert to and become immediately vested in State, without payment therefor by State. Lessee hereby conveys and quitclaims to State as of the Termination Date, all interest in and to all New Improvements , contingent upon State's exercise of its option.

(d) Removal of Certain Improvements. Lessee agrees to sever, remove, and dispose of all New Improvements to which State does not elect to claim title by the Termination Date. If such action is not taken by Lessee, Lessee agrees that State may remove such improvements and charge Lessee for the cost of removal and disposal, together with interest thereon from the date of expenditure at the rate stated above. It shall be the duty of Lessee to inquire of State as to whether State will exercise its option to take ownership of all, or a portion of, the New Improvements: sufficiently, but in no event less than sixty (60) days, in advance of the Termination Date to permit Lessee, in the event State declines to claim title, to sever, remove, and dispose of the unclaimed improvements by the Termination Date.

6.2 Unauthorized Improvements.

(a) Improvements made on or to the Property without State's prior written consent or not in conformance with the approved plan of development (not including repairs, maintenance or replacements due to ordinary wear) ("Unauthorized Improvements"), shall immediately become the property of State, unless State elects otherwise.

(b) State may, at its option, require Lessee to sever, remove and dispose of any or all Unauthorized Improvements, or, in addition to any other remedy State may have for such breach of the Lease, State may charge Lessee Rent for the use of such improvements based upon the value thereof, which Rent shall be due and payable together with all installments of Rent due hereunder. If Lessee fails to sever and complete removal of such Unauthorized Improvements within thirty (30) calendar days of request for removal by State, State may (i) remove and dispose of such Unauthorized Improvements at Lessee's expense; (ii) cancel this Lease; or (iii) pursue any other remedies for default provided that all such severance and completion of removal must be accomplished by the Termination Date. Any cost of removal and disposal borne by State shall become an obligation of Lessee due and owing under this Lease together with interest thereon from the date of expenditure at the rate stated above.

6.3 Trade Fixtures.

(a) All trade fixtures brought onto the Property by Lessee shall remain the property of Lessee. Lessee agrees to sever and remove those fixtures by the Termination Date.

(b) All trade fixtures allowed to remain on the Property thereafter shall, at State's option, become the property of State. If State does not elect to claim title to said trade fixtures, Lessee agrees that State may remove and dispose of such trade fixtures. Any costs of removal and disposal borne by State shall become an obligation of Lessee due and owing under this Lease together with interest thereon from the date of expenditure at the rate stated above.

6.4 Mechanics, Liens, Labor Liens, and Project Completion.

(a) Mechanics and Labor Liens. Lessee agrees that it will not permit any claim of lien made on any mechanic, materialman, laborer, or other similar liens to stand against the Property, any improvements or trade fixtures located thereon, or Lessee's leasehold, for work, labor, services, or materials furnished to Lessee or its sublessees in connection with any construction, improvements, alterations, maintenance, or repair thereof made by Lessee or its agents or sublessees upon the Property. Lessee further agrees to cause any such claim of lien to be fully discharged within thirty (30) calendar days after the date of filing thereof. In the event Lessee in good faith disputes the validity or amount of any such claim of lien, and Lessee shall, at Lessee's expense, give to State such security as State may reasonably require, indemnifying State, the Property, improvements and trade fixtures on the Property, and Lessee's leasehold against all liability, costs and expenses, including attorneys' fees, which State may incur as a result of the lien, then Lessee shall not be deemed to be in breach of this Subsection 6.4 so long as:

1. Lessee is diligently pursuing a resolution of such dispute;
2. At no time is the Property, any improvements or trade fixtures located thereon, or Lessee's leasehold in any danger of being sold, forfeited or lost; and
3. Upon entry of final judgment resolving the dispute if litigation or arbitration results therefrom, Lessee discharges said lien within the time limits specified above. Nothing contained in this section shall be deemed a waiver of any provision of Washington law which exempts property owned by State from any such lien claims.

7. ASSIGNMENT AND SUBLETTING

7.1 Assignment and Subletting.

(a) State Consent Required. Lessee shall not hypothecate, mortgage, assign, encumber, transfer, sublease or otherwise alienate this Lease, or any interest therein or engage in any other transaction which has the present effect or future possibility of transferring the right of enjoyment of the Property without the prior written consent of State, which shall not be unreasonably withheld or delayed. In granting such consent, State reserves the right to: (1) Change the terms and conditions of this Lease, including the rental terms, as it may affect the transferee; (2) Consider, among other items, the proposed transferee's financial condition, business reputation, the nature of the proposed transferee's business, the then current value of the Property, and such other factors as may reasonably bear upon the suitability of the transferee as a lessee of the Property; and, (3) Require Lessee or transferee to conduct such tests, audits, surveys, or investigations as are identified in Subsection 5.6(d)(3). Lessee shall submit information regarding any proposed transferee or assignee under this Subsection 7.1 to State at least thirty (30) days prior to the date of the proposed transfer or assignment. Consent of State to any one transfer shall not constitute a waiver of State's right to approve subsequent transfers.

(b) Rent Payments Following Assignment. The acceptance by State of the payment of Rent following an assignment or other transfer shall not constitute consent to any assignment or transfer, and State's consent shall be evidenced only in writing.

(c) Terms of Subleases. Lessee agrees that all subleases submitted to State for its approval shall include the following terms:

1. The sublease shall be consistent with and subject to all the terms and conditions of this Lease.
2. If the sublease conflicts with the terms and conditions of this Lease, this Lease shall govern.
3. The term of the sublease (including any period of time covered by a renewal option) shall end before the Termination Date of this Lease.
4. The sublessee shall receive and acknowledge receipt of a copy of this Lease.
5. The sublease shall terminate if this Lease terminates, whether upon expiration of the Term or earlier cancelation, surrender or termination for any reason.
6. The sublease shall prohibit the prepayment of Rent to the Lessee by the sublessee.
7. The sublease shall identify the rental amount to be paid to the Lessee by the sublessee.
8. The sublease shall confirm that there is no privity of contract between the sublessee and the State.
9. The sublease shall require removal of the sublessee's trade fixtures and improvements upon termination of the sublease as provided under Subsection 7.1(c)5 above.
10. The sublessee's permitted use shall be within the scope of the use authorized in Subsection 5.3 above.
11. At its own expense, sublessee shall conform to all applicable laws, regulations, permits, orders or other directives of any public authority affecting the Property or the sublessee's use or occupation of the Property, including, but not limited to Laws of 1991, Chapter 200 (an Act Relating to Oil and Hazardous Substances). If applicable, sublessee shall comply with all requirements of Laws of 1991, Chapter 200,

including but not limited to operation in accordance with the required plan of operations and maintenance of a concurrent plan of operation.

7.2 Corporations, General Partnerships, Limited Partnerships.

(a) Corporations. If Lessee is a corporation, any merger, consolidation, liquidation, or any change in ownership of, or the power to vote the majority of its outstanding voting stock, shall constitute an assignment of this Lease which requires prior approval of State, whether the result of a single transaction or a series of transactions.

(b) General Partnerships. If Lessee is a general partnership, the death, withdrawal or expulsion of a partner or partners owning, or transfer or interests representing, in the aggregate more than fifty percent (50%) of the partnership profits or capital shall constitute an assignment of this Lease which requires prior approval of State, whether as the result of a single transaction or a series of transactions.

(c) Limited Partnerships. If Lessee is a limited partnership, the death, withdrawal or expulsion of any general partner shall constitute an assignment of this Lease which requires prior approval of State.

(d) Marital Communities. If Lessee is a marital community, the dissolution of the marital community shall constitute an assignment of this Lease which requires prior approval of State.

7.3 Assignee Obligations. Each permitted assignee, or transferee, other than State, shall assume and be deemed to have assumed all obligations under this Lease and shall become liable for all payments and for the due performance and satisfaction of all provisions, covenants, and conditions herein contained. Notwithstanding any such assignment or transfer, Lessee shall be and remain jointly and severally liable with the assignee or transferee for all obligations under this Lease, unless released, in writing, by State.

7.4 Copies of Instruments. In connection with any assignment, sublease, or transfer, Lessee shall, at State's option, provide State with copies of all assignments, subleases, assumption instruments or other documentation.

7.5 Assignment by State. State may, if legally permissible, assign its interest in this Lease.

7.6 Assignment of Right to Receive Rentals. Lessee hereby assigns to State for the purpose of securing all Lessee's obligations under this Lease the right to receive all rentals reserved under any sublease executed with respect to the Property. This Lease shall constitute a security agreement with respect to the rentals to be received thereunder, and Lessee shall execute such further documents as may be required to perfect such security interest including but not limited to UCC financing statements.

8. LESSEE'S INDEMNITY: SECURITY BOND AND INSURANCE

8.1 Indemnity. Lessee shall indemnify and save harmless State, its employees, officers, and agents from any and all liability, damages (including damages to land, aquatic life, and other natural resources), expenses, causes of action, suits, claims, costs, fees (including attorneys' fees and costs), penalties (civil and criminal), or judgments, by any reason whatsoever caused, arising out of the use, occupation, or control of the Property by Lessee, its sublessees, invitees, agents, employees, licensees, or permittees except as may arise solely out of the willful or grossly negligent act of State or State's employees, officers, or agents. To the extent that RCW 4.24.115 is applicable to any indemnification provision of this Lease, State and Lessee agree that provision shall not require Lessee to indemnify and save State harmless from State's sole or concurrent negligence if any.

8.2 Bond or Other Security.

(a) Upon execution of this Lease, Lessee shall furnish State a good and sufficient corporate surety bond or provide other security satisfactory to State (hereinafter referred to as "Bond") in an amount equal to \$25,000.00, which shall secure the full performance by Lessee of all the terms, conditions, and covenants of this Lease to be performed by Lessee, including, but not limited to, the payment by Lessee of all amounts now or hereafter due and payable to State. The Bond shall be in a form and issued by a surety company acceptable to State. The amount of the Bond may be adjusted by State at the same time as the adjustment of the rent, as a condition of approval of assignment or sublease of this Lease, upon any breach by Lessee of Subsections 5.6(b)-(d) above, upon a change in the condition of the improvements, or upon a request for a change in the Permitted Use. A new or modified Bond shall be delivered to State not less than thirty (30) calendar days following any adjustment by State of the amount of the Bond.

(b) Upon any default by Lessee in its obligations under this Lease, any or all of the Bond may be appropriated by State to offset the liability of Lessee to State, but such Bond and State's appropriation thereof or realization thereon shall in no way limit the liability or other security or obligations of Lessee or the rights or remedies of State

nor shall such realization in any manner reinstate, cure or relieve Lessee from a termination of its rights under this Lease following a material default. Lessee's failure to have a Bond in force at all times during the Term in the full amount as required by this paragraph shall constitute a material breach of this Lease.

8.3 Acquisition of Insurance Policies. Lessee shall, at its sole cost and expense, procure and maintain, or cause to be procured and maintained, during the entire Term, the insurance described in Subsections 8.4 and 8.5, issued by an insurance company or companies licensed to do business in the state of Washington satisfactory to State, covering and protecting Lessee, State, and the Property, including any improvements.

8.4 Types of Required Insurance.

(a) Comprehensive General Liability Insurance. Lessee shall procure and maintain comprehensive general liability insurance covering all claims with respect to injuries or damages to persons or property sustained in, or about the Property, and the appurtenances thereto, with limits of liability no less than: \$1,000,000 for each occurrence and not less than \$2,000,000 annual aggregate for property damage in any one occurrence. Such limits may be achieved through the use of umbrella liability insurance sufficient to meet the requirements of this section. The limit of liability may be adjusted by State at the same time as adjustment of the Rent, as a condition of approval of assignment or sublease of this Lease, upon any breach by Lessee of Subsections 5.6(b)-(d) above, upon a change in the condition of the improvements, or upon a request for a change in the Permitted Use.

(b) Physical Property Damage Insurance. Lessee shall procure and maintain physical damage insurance covering all real and personal property, excluding property paid for by sublessees or paid for by Lessee for which sublessees have reimbursed Lessee, located on or in, or constituting a part of, the Property in an amount equal to at least one hundred percent (100%) of replacement value of all such property, with commercially reasonable deductibles.

(c) Worker's Compensation Insurance.

1. State of Washington Worker's Compensation coverage, as applicable, with respect to any work by employees of Lessee on or about the Property.

2. Longshore and Harbor Worker's Act and Jones Act coverage, as applicable, with respect to any work by employees of Lessee on or about the Property.

8.5 Terms of Insurance. The policies required under Subsections 8.3 and 8.4 shall name State as an additional insured (except for State of Washington Worker's Compensation) and Lessee shall provide promptly to State certificates of insurance and copies of policies obtained by Lessee hereunder, provided that receipt of such policies by State does not constitute approval by State of the terms of such policies. Further, all policies of insurance described in Subsection 8.3 shall:

(a) Be written as primary policies not contributing with and not in excess of coverage that State may carry;

(b) Contain an endorsement providing that such insurance may not be materially changed, amended or canceled with respect to State except after thirty (30) calendar days, prior written notice from the insurance company to State;

(c) Contain an endorsement containing express waiver of any right of subrogation by the insurance company against State and State's officers, elected officials, agents and employees;

(d) Provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Lessee which might otherwise result in a forfeiture of said insurance;

(e) Expressly provide that State shall not be required to give notice of accidents or claims and that State shall have no liability for premiums;

(f) Provide that all proceeds shall be paid jointly to State and Lessee.

8.6 State's Acquisition of Insurance. If Lessee at any time during the Term fails to procure or maintain such insurance or to pay the premiums therefore, State shall have the right to procure substitute insurance as State deems appropriate and to pay any and all premiums thereon, and Lessee shall pay to State upon demand the full amount so paid and expended by State, together with interest thereon at the rate provided in Subsection 3.4, hereof from the date of such expenditure by State until repayment thereof by Lessee.

9. REPAIRS

9.1 State's Repairs. State shall not be required or obligated to make any repairs, alterations, maintenance, replacements or repairs in, on, or about the Property, or any part thereof, during the Term of this Lease.

9.2 Lessee's Repairs, Alteration, Maintenance and Replacement.

(a) Lessee shall, at its sole cost and expense, keep and maintain the Property and all improvements thereon and all facilities appurtenant thereto (regardless of ownership) in good order and repair and safe condition, sufficient for the safe conduct of any activities or enterprises conducted on the Property pursuant to this Lease and keep and

maintain the whole of the Property, including all improvements in a clean, sanitary and attractive condition.

(b) Lessee shall, at its sole cost and expense, make any and all additions to: repairs, alterations, maintenance, replacements or changes about and to the Property, which may be required by any public authority affecting the Property and its use.

(c) Ownership of Repairs.

1. All repairs, alterations, maintenance to, or replacement of the Property, including any state-owned improvements, as defined in Subsection 6.1, shall immediately become the property of State.

2. All repairs, alterations, maintenance to, or replacement of New Improvements, as defined in Subsection 6.1, shall remain the property of Lessee subject to the terms of Subsection 6.1.

3. All repairs, alterations, maintenance to, or replacements of any Unauthorized Improvements as defined in Subsection 6.2 shall immediately become the property of State subject to the terms of Subsection 6.2.

9.3 Condition at End of Lease. Upon vacating the Property on the Termination Date, Lessee shall leave the Property and all improvements thereon to which State has elected to claim title in the state of repair and cleanliness required to be maintained by Lessee during the Term of this Lease and shall peaceably surrender the same to State.

10. DISCLAIMER OF IMPLIED COVENANTS OF POWER TO LEASE AND QUIET ENJOYMENT

10.1 Power to Lease. State believes that it has full right, power and authority to make this Lease. However, State expressly disclaims and Lessee expressly releases State from any and all claims for breach of any implied covenant of power to lease.

10.2 Quiet Enjoyment. State expressly disclaims and Lessee expressly releases State from any claim for breach of any implied covenant of quiet enjoyment with respect to the possession of the Property during the Term of this Lease or any holdover. This disclaimer includes but is not limited to, interference arising from or in connection with access or other use rights of adjacent property owners or the public over the water surface or in or under the water column, rights held by Indian tribes, and the general power and authority of State and the United States to regulate the use of navigable waters, bedlands, tidelands, and shorelines. In the event that Lessee is evicted from the Property by reason of successful assertion of any such rights, this Lease shall be deemed terminated as of the date of such eviction. In the event of a partial eviction, Lessee's Rental obligations hereunder shall abate as of the date of the partial eviction in direct proportion to the extent of the eviction, but in all other respects, this Lease shall remain in full force and effect.

11. DAMAGE OR DESTRUCTION

11.1 Possible to Repair Within Term.

(a) In the event of any damage to or destruction of the Property or any improvements, Lessee shall promptly give written notice thereof to State. Lessee shall promptly reconstruct, repair or replace the Property as nearly as possible to its condition immediately prior to such damage or destruction. All such reconstruction, repair and replacement shall be performed in accordance with the requirements of Subsection 9.2 above.

(b) Lessee's duty to reconstruct, repair, or replace any damage or destruction of the Property or any improvements thereon shall not be conditioned upon the availability of any insurance proceeds to Lessee from which the cost of repairs may be paid.

(c) Unless this Lease is terminated by mutual agreement, there shall be no abatement or reduction in Rent during such reconstruction, repair and replacement.

(d) Any insurance proceeds payable by reason of the damage or destruction shall be made available to pay the cost of the reconstruction.

(e) In the event Lessee is in default under the terms of this Lease at the time damage or destruction occurs, State may elect to terminate the Lease and State shall thereafter have the right to retain any and all insurance proceeds payable as a result of such damage or destruction.

(f) Upon completion of reconstruction, repair or replacement by Lessee, any insurance funds in excess of the cost of such reconstruction, repair or replacement shall be paid to Lessee provided, however, State shall have a lien on Lessee's share of such proceeds to the extent Lessee has failed to pay any moneys to State under the terms of this Lease.

11.2 Not Possible to Repair Within Term.

If such damage or destruction cannot be substantially repaired within the time remaining in the Term, this Lease shall terminate as of the date of such damage or destruction. Any insurance proceeds shall be divided between State and Lessee prorated based upon the unexpired Term of the Lease, with Lessee receiving a fraction thereof which is equal to the then remaining Term divided by the original Term, and State receiving the remainder.

12. CONDEMNATION

12.1 Definitions.

(a) Total Taking. The term "total taking," as used in this Lease, means the taking of the entire Property and any improvements thereon under the power of eminent domain either by judgment or settlement in lieu of judgment, or the taking of so much of the Property and improvements as to prevent the use thereof by Lessee or, in the judgment of State, renders the Property impractical to operate for the uses and purposes hereinabove provided.

(b) Partial Taking. The term "partial taking" means the taking of a portion only of the Property which does not constitute a total taking as defined above.

(c) Voluntary Conveyance. The terms "total taking" and "partial taking" shall include a voluntary conveyance to any agency, authority, public utility, person or corporate entity empowered to condemn property in lieu of formal court proceedings.

(d) Date of Taking. The term "date of taking" shall mean the date upon which title to the Property or a portion thereof passes to and vests in the condemnor or the effective date of any order for possession if issued prior to the date title vests in the condemnor.

12.2 Effect of Taking. If during the Term hereof there shall be a Total Taking under the power of eminent domain, then the leasehold estate of Lessee in and to the Property shall cease and terminate as of the Date of Taking. If this Lease is so terminated, in whole or in part, all Rentals and other charges payable by Lessee to State hereunder and attributable to the Property taken, shall be paid by Lessee up to the Date of Taking by the condemnor, and the parties thereupon shall be released from all further liability in relation thereto. If Lessee has pre-paid Rent, Lessee will be entitled to a refund of the pro rata share of this pre-paid Rent attributable to the period after the Date of Taking. In the event of a Partial Taking, such that Lessee is no longer able to use a portion of the Property, there shall be a partial abatement of Rent in a percentage equal to the percentage of Property taken.

12.3 Allocation of Award. State and Lessee agree that in the event of any condemnation, the award shall be allocated between State and Lessee based upon the ratio of the Fair Market Value of Lessee's Leasehold Estate and Lessee-owned Improvements and New Improvements on the Property and State's interest in the Property, including State's landlord interest in the Leasehold reversionary interest in Lessee-owned Improvements and New improvements, and ownership of State-owned Improvements. In the event of a Partial Taking, this ratio will be computed on the basis of the portion of Property or improvements taken. If Lessee and State are unable to agree on the allocation, it shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association.

13. INSOLVENCY

13.1 Insolvency May Constitute Default. If a receiver or trustee is appointed to take possession of all or substantially all of the assets of Lessee, or if any action is taken or suffered by Lessee pursuant to an insolvency, bankruptcy or reorganization act, including the filing of a petition in bankruptcy, or if Lessee makes a general assignment for the benefit of its creditors, and if such appointment or assignment continues for a period of thirty (30) calendar days, it shall, at State's option, constitute a default by Lessee and State shall be entitled to the remedies set forth in Section 14 below, which may be exercised by State without prior notice or demand upon Lessee. In the event that any provision of this Section 13 is contrary to any applicable law, such provision shall have no force or effect.

13.2 Notice of Insolvency. Lessee shall be required to notify State, within ten (10) days of filing, that it has filed a petition for relief under the bankruptcy code.

14. BREACH BY LESSEE

14.1 Breach and Default.

(a) Any breach of any provision of this Lease by Lessee, shall be deemed a default after State has delivered to Lessee notice of the alleged breach and demand that the breach be remedied immediately. Such a default entitles State to the remedies set forth in this Lease or otherwise available at law or in equity. If Lessee shall promptly commence to cure the default and shall cure the default within for sixty (60) calendar days after receipt of the notice; or within for sixty (60) calendar days after receipt of the notice if the default pertains to the payment of rent, the breach shall no longer constitute a default.

(b) In the event State deems the breach to constitute a threat to safety, life, or property it may elect to intervene immediately without notice to remedy the breach and Lessee hereby agrees to repay State for all costs in remedying the breach upon demand, together with interest thereon from the date of expenditure at the rate set forth in Subsection 3.4 above. Alternatively, State may require Lessee itself to act immediately to remedy the breach, should State deem it a threat to safety, life, or property.

14.2 Reletting in the Event of Default.

(a) State's Right to Relet. In the event of a default, State, in addition to any other rights or remedies that it may have, shall have the immediate right of re-entry. Should State elect to re-enter or take possession of the Property, it may either terminate this Lease or, from time-to-time without terminating this Lease, relet the Property or any part thereof, for any term or terms and conditions as State in its sole discretion may deem advisable with the right to complete construction of or make alterations and repairs to the improvements. Lessee shall pay to State the cost and expenses incurred by State in such reletting, completion of construction, or in making such alterations and repairs.

(b) Allocation of Rentals. Rentals received by State from reletting shall be applied: first, to the payment of any indebtedness, other than Rent, due hereunder from Lessee to State; second, to the payment of Rent due and unpaid hereunder; and the residual, if any, shall be held by State and applied in payment of future rent or damages as the same may become due and payable hereunder. The balance, if any, at the end of the Term shall belong to State. Should such rentals received from time-to-time from reletting during any month be less than the Rent agreed to be paid during that month by Lessee, Lessee shall pay the deficiency to State. The deficiency shall be calculated and paid monthly. At the option of State following Lessee's default, State may accelerate and demand as immediately due the difference between (i) all Rent reserved for the unexpired portion of the Term following the event of Lessee's default, and (ii) the fair market rental value of the Property for the unexpired portion of the Term reduced by any costs of State in reletting the Property.

(c) Exercise of Right Not an Election. No such reletting of the Property by State shall be construed as an election on its part to terminate Lessee's obligations under this Lease unless a notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, State may at any time thereafter elect to terminate this Lease for such previous breach, provided that it has not been cured. Should State at any time terminate this Lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages it may incur by reason of such breach.

15. HOLDING OVER AND EXPIRATION

15.1 Unapproved Holdover. Any holding over by Lessee without the express written consent of State shall not constitute a renewal or extension of this Lease or give Lessee any rights in or to the Property and this Lease shall terminate without further notice at the Termination Date. Such occupancy shall be subject to the same terms and conditions as set forth herein. At State's option, Rent may be charged for each month of occupancy, or any portion thereof, on a prorated basis, equal to one hundred sixty percent (160%) of the amount of full fair market Rent due for the last month of the term of this Lease.

15.2 Approved Holdover. If Lessee shall, with the written consent of State, holdover after the Termination Date, the resulting tenancy shall, unless otherwise mutually agreed, be for an indefinite period of time on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay State Rent as provided herein, unless a different rate shall be agreed upon, and shall be bound by all the terms of this Lease.

16. NOTICE

16.1 Procedure. Any notice required or desired to be given under this Lease shall be in writing with copies directed as indicated herein and shall be personally served or sent by mail. Any notice given by mail shall be deemed to have been received when seventy-two (72) hours have elapsed from the time when such notice was deposited in the United States mails, correctly addressed to the party to be served at the last address given by that party to the other party under the provisions of this Section 16. At the date of the execution of this Lease, the address of State is:

DEPARTMENT OF NATURAL RESOURCES
Division of Aquatic Lands
1111 Washington Street SE
PO Box 47027
Olympia, WA 98504-7027

and the address of Lessee is:

PORT WASHINGTON MARINA CONDOMINIUM ASSOCIATION
510 Rainier Avenue South
Seattle, WA 98144

16.2 Change of Address. Lessee shall notify State immediately of any change of address.

17. SUCCESSORS

17.1 Successors and Assigns Bound. The covenants and agreements contained in this Lease shall be binding on the parties hereto and on their respective successors and assigns, to the extent the Lease is assignable, and upon any person, firm, or corporation coming into ownership or possession of any interests in the Property or improvements on the Property by operation of law or otherwise, and shall be construed as covenants running with the land.

18. TERMINATION

18.1 Lessee's Rights Cease Upon Lease Termination. Upon the termination of this Lease by expiration of time or otherwise, the rights of Lessee and of all persons, firms, corporations, and entities claiming under Lessee in and to the Property and all improvements hereon, unless specified otherwise in this Lease, shall cease.

19. MISCELLANEOUS

19.1 Headings. The Section and Subsection headings used in this Lease are for convenience only. They shall not be construed to limit or to extend the meaning of any part of this Lease.

19.2 Amendments. Any amendments or additions to this Lease shall be made in writing executed by the parties hereto, and neither State nor Lessee shall be bound by verbal or implied agreements.

19.3 Waiver. The waiver by State of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The acceptance by State of Rent or any other sum owing, following a breach by Lessee of any provision of this Lease shall not constitute a waiver of any right of State with respect to such breach. State shall be deemed to have waived any right hereunder only if State shall expressly do so in writing.

19.4 Cumulative Remedies. Each right, power and remedy of State provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the commencement of the exercise by State of any one or more of the rights, powers, or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute, or otherwise, shall not preclude the simultaneous or later exercise by State of any or all such other rights, powers or remedies.

19.5 Time of Essence. Time is expressly declared to be of the essence of this Lease and each and every covenant of Lessee hereunder.

19.6 Entire Agreement. This Lease contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

19.7 Language. The word "Lessee" when used herein, shall be applicable to one (1) or more persons, as the case may be, and if there be more than one (1), the obligations hereof shall be joint and several. The words "Persons" whenever used shall include individuals, firms, associations and corporations. This Lease, and its terms, have been agreed upon after Lessee has been given the opportunity to negotiate its terms. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning, and shall not be construed strictly for or against State or Lessee.

19.8 Invalidity. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent prove to be invalid, unenforceable, void or illegal, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced as written to the fullest extent permitted by law.

19.9 Applicable Law and Venue. This Lease shall be interpreted and construed under and pursuant to the laws of the state of Washington. Any reference to a statute enacted by the state of Washington shall refer to that statute as presently enacted and any subsequent amendments thereto, unless the reference to said statute specifically provides otherwise. The parties agree that venue for any action arising out of or in connection with this Lease shall be in the Superior Court for Thurston County, Washington.

19.10 Authority. Persons executing this Lease on behalf of Lessee represent that they are authorized to do so and warrant that this Lease is a legal, valid and binding obligation on behalf of Lessee, and is enforceable in accordance with its terms.

19.11 Date of Execution. The date this Lease is executed shall be deemed to be the day and year when executed by State.

19.12 Survival. All obligations of Lessee to be performed after the Termination Date shall not cease upon the Termination of this Lease, and shall continue as obligations until fully performed. All clauses of this Lease which require performance beyond the Termination Date shall survive the Termination Date of this Lease.

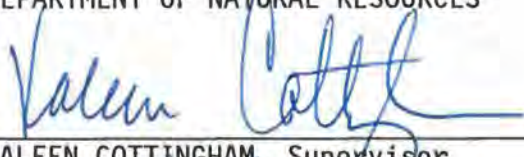
19.13 Recordation. Lessee shall record this Lease in the county in which the Property is located at Lessee's sole expense. Lessee shall provide State with recording information including the date of recordation and file number. Lessee shall have thirty (30) days from the Commencement Date of the Lease to comply with the requirements of this paragraph.

19.14 Discrimination. Lessee shall not conduct or suffer any business upon the Property which unlawfully discriminates against any person on the basis of race, color, creed, religion, sex, age, or physical or mental handicap.

IN WITNESS WHEREOF, this Lease Agreement is executed on the day and year when executed by the state of Washington.

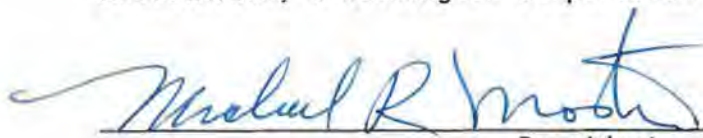
STATE:




STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES


KALEEN COTTINGHAM, Supervisor
Date 7/30/93

LESSEE:

PORT WASHINGTON MARINA CONDOMINIUM OWNER'S
ASSOCIATION, a Washington Corporation


, President
510 Rainier Avenue South
Seattle, WA 98144
Date 7/27/83

APPROVAL OF DOCUMENT TERMS	
	Lease Admin.
	Section Mgr.
	Asst. Div. Mgr.
	Division Mgr.

PROOF READ CAG 7/14/93
105/22002332.1se

22-002332

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF WASHINGTON)
County of Thurston) ss.

On this _____ day of _____, 19____, personally appeared before me JENNIFER M. BELCHER, to me known to be the Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the state of Washington, the department that executed the within and foregoing instrument on behalf of the state of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the state of Washington for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the state of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

S E A L

NOTARY PUBLIC in and for the
state of Washington

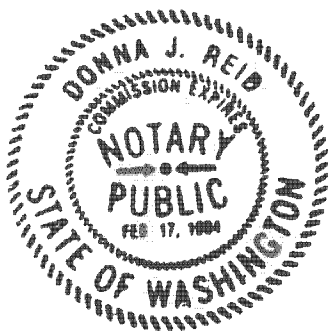
My commission expires _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF WASHINGTON)
County of KING) ss.

On this 27 day of JULY, 1993, personally appeared before me MICHAEL R. MASTRO, to me known to be the PRESIDENT of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument for said corporation and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



NOTARY PUBLIC in and for the
state of WASHINGTON

My commission expires 02/17/94

2000 2/11/2000

STATE OF WASHINGTON)

SS.

County of Thurston)

On this 30th day of July, 1993, personally appeared before me

KALEEN COTTINGHAM, to me known to have signature authorization delegated to her to sign

for JENNIFER M. BELCHER, the Commissioner of Public Lands, and ex officio administrator of

the Department of Natural Resources of the state of Washington, the department that

executed the within and foregoing instrument on behalf of the state of Washington, and

acknowledged said instrument to be the free and voluntary act and deed of the state of

Washington for the uses and purposes therein mentioned, and on oath stated that she was

authorized to execute said instrument and that the seal affixed is the official seal of

the Commissioner of Public Lands for the state of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day

Ann M. Bester

NOTARY PUBLIC in and for the

My commission expires 4-12-97

PORT WASHINGTON MARINA
AQUATIC LANDS LEASE
LEGAL DESCRIPTIONS

THAT PORTION OF THE HARBOR AREA SITUATE IN FRONT OF GOVERNMENT LOTS 6 AND 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; INCLUDED IN A TRACT DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE INNER HARBOR LINE, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, A RECORDED PLAT IN SAID GOVERNMENT LOT 7 AND RUNNING THENCE ALONG SAID INNER HARBOR LINE, N 75°43'57.8" W, A DISTANCE OF 128.168 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE N 63°38'00" W, A DISTANCE OF 148.126 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE N 74°55'00" W, A DISTANCE OF 334.594 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE S 60°44'00" W, A DISTANCE OF 126.00 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE, S 48°20'00" W, A DISTANCE OF 125.00 FEET; THENCE N 29°25'40" E A DISTANCE OF 403.64 FEET TO A POINT ON THE OUTER HARBOR LINE; THENCE S 74°00'00" E ALONG SAID OUTER HARBOR LINE A DISTANCE OF 802.403 FEET; THENCE S 16°00'00" W, A DISTANCE OF 210.901 FEET ACROSS THE HARBOR AREA TO THE INNER HARBOR LINE; THENCE N 75°43'57.8" W, A DISTANCE OF 132.290 FEET TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAPS OF BREMERTON TIDE LANDS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON.

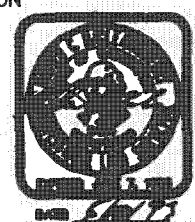
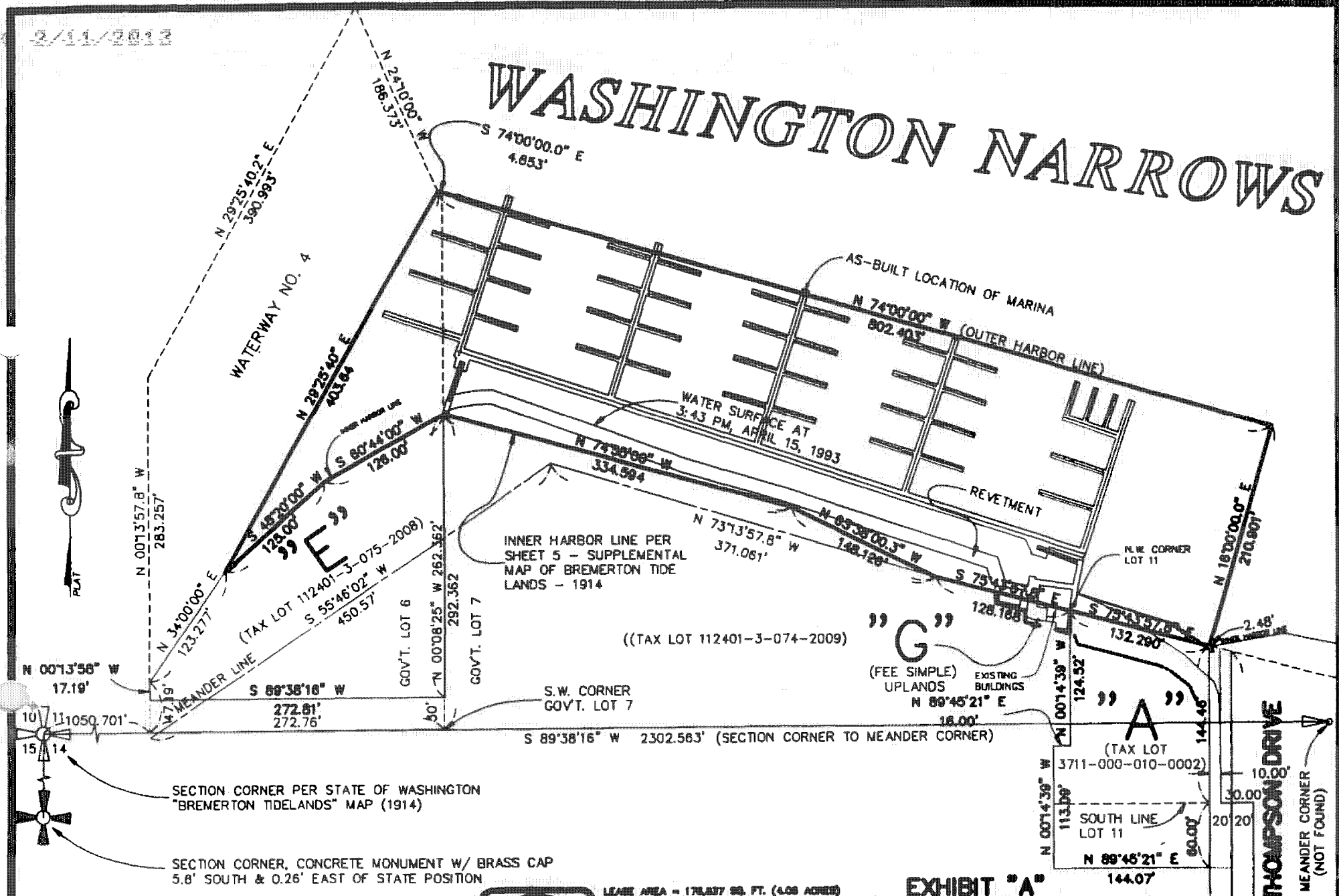
CONTAINING 4.06 ACRES, MORE OR LESS.

Prepared by Mathew C. MacLearnsberry
May 10, 1993



2/11/2012

WASHINGTON NARROWS



MACLEARNSEBERRY, Inc.
 Civil Engineers • Land Surveyors • Planners
 120 WYATT WAY NE RAINBOW BRIDGE ISLAND, VA 22960
 PHONE: (866) 842-3514

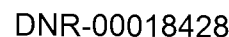
DOUGLAS FAULDS & DONNA ERNST

PORT WASHINGTON MARINA
AQUATIC LANDS LEASE EXHIBIT

DATE	MAY 4, 1993	BY	8308
DATE	1-89	BY	101

EXHIBIT "A"

LEASE AREA = 178,837 SQ. FT. (4.05 ACRES)



AQUATIC LANDS LEASE EXHIBIT

MEANDER CORNER
(NOT FOUND)

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Jennifer M. Belcher
Commissioner of Public Lands
Olympia, Washington 98504

TRO 8/8/2014

AMENDMENT TO LEASE NO. 22-002332

WHEREAS, the Lessee, PORT WASHINGTON MARINA CONDOMINIUM OWNER'S ASSOCIATION, has been granted an Aquatic Land Lease No. 22-002332, commencing August 1, 1993 for a term of thirty (30) years for the area occupied by a previous lease, No. 22-002332; and,

WHEREAS, the prior lease was to expire on November 1, 2004; it is therefore,
AGREED:

(1) That the Clause 1.1 Term of the 1974 lease agreement be amended as follows:

Clause 1.1 Term. This lease shall commence on the 1st day of November 1974 and continue through the 31st day of July 1993.

(2) All other terms and conditions of said lease shall not be affected by these amendments.

(3) The effective date of this amendment is July 31, 1993.

The Lessee expressly agrees to all covenants herein and binds himself for any payments hereinbefore specified.

Executed this 30th day of July, 19 93.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Kaleen Cottingham
KALEEN COTTINGHAM, Supervisor

Signed this 27 day of July, 19 93

PORT OF WASHINGTON MARINA CONDOMINIUM
OWNER'S ASSOCIATION

Michael R. [Signature]
PRESIDENT

510 Rainier Avenue South
Seattle, WA 98144

APPROVAL OF DOCUMENT TERMS	
<u>[Signature]</u>	Lease Admin.
<u>[Signature]</u>	Section Mgr.
<u>[Signature]</u>	Asst. Div. Mgr.
	Division Mgr.

IF READ CAG- 9/12/93
cag5/22002332.amd

DNR-00018429

CERTIFICATE OF ACKNOWLEDGMENT

TRO 8/8/2014

STATE OF WASHINGTON)
County of Thurston) ss.

On this 30th day of July, 1993, personally appeared before me KALEEN COTTINGHAM, to me known to have signature authorization delegated to her to sign for JENNIFER M. BELCHER, the Commissioner of Public Lands, and ex officio administrator of the Department of Natural Resources of the state of Washington, the department that executed the within and foregoing instrument on behalf of the state of Washington, and acknowledged said instrument to be the free and voluntary act and deed of the state of Washington for the uses and purposes therein mentioned, and on oath stated that she was authorized to execute said instrument and that the seal affixed is the official seal of the Commissioner of Public Lands for the state of Washington.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

SEAL

Anne M. Reiter
NOTARY PUBLIC in and for the
state of Washington

My commission expires 4-12-97

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Washington
County of King) ss.

On this 27 day of July, 1993, personally appeared before me Michael R. Mastro, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that (he/she was) (they were) authorized to execute said instrument for said corporation and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



SEAL

Donna J. Reid
NOTARY PUBLIC in and for the
state of Washington
My commission expires 2/17/94

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Jennifer M. Belcher
COMMISSIONER OF PUBLIC LANDS

APPLICATION TO LEASE PUBLICLY OWNED AQUATIC LANDS
NO WORK CAN BE STARTED ON LEASE AREA UNTIL A LEASE IS GRANTED

Date: 3-15-93

1. Lease to be issued to OWNERS PORT WASHINGTON MARINA CONDOMINIUM Association
2. 510 RAINIER AVENUE SO. Seattle WA. 98144
(Address) (City) (State) (Zip)
3. a) Desired use of lease area EXISTING BO SLIP CONDOMINIUM MARINA
b) Is or will the area be subleased? yes If yes, submit copy of sublease.
4. Application is for (a) New Lease (b) Re-lease of number # 2332, 2396, 2399
Include photograph(s) showing improvements in relation to proposed lease boundaries and other structures.
5. Section 11 Township 24 N. Range 1 E. County Kitsap
6. Please complete the following and attach the requested information to this application. Refer to the instructions on the reverse side. Failure to furnish the following information will cause your application to be returned.
- a) Supply name and address of owner of property abutting desired lease area.
Michael R. Mastro, 510 RAINIER AVENUE SO., Seattle, WA. 98144
- b) Prepared Exhibit A as specified on back.
- c) US Army Corps of Engineers Public Notice Number existing Marina
- d) Shoreline Substantial Development Permit Number existing Marina
- e) SEPA Checklist or Declaration of Nonsignificance from lead agency.
- f) Application fee of \$25.00 made payable to the Department of Natural Resources. It is nonrefundable in the event this application is rejected.
- g) County Parcel Number _____ County Tax Code 3711-000-010-0002
(Call the county assessor if you do not have the above numbers.)
7. If leasehold will be used for business purposes, please provide your Washington State Department of Revenue Tax Registration No. _____
8. Which of the following applies to the name desired on the lease:

- ☒ Corporation
- ☐ General Partnership
- ☐ Limited Partnership
- ☐ Individual ☐ Married ☐ Single
- ☐ Governmental Agency
- ☐ Other

RECEIVED

MAR 22 1993

Dept. of Natural Resources
Mail Center

All answers and statements are true and complete to the best of my knowledge.

For Official Use Only	
Amount Rec'd	Date
App. No.	
Trust	
County	AL Plate No.
(2/12/93)	

Applicant Port Washington Marina Condo. Assoc
Please Print

Signed Michael R. Mastro
(Applicant or Authorized Signature)

Title President Phone (206) 323-5393

Company _____

Title _____

INSTRUCTION FOR COMPLETING APPLICATION TO LEASE
AQUATIC LANDS

The following requirements must accompany all applications to lease public aquatic lands. Failure to furnish all information will cause the application to be returned.

- 6.(a) Proof of Ownership of, or authorization to use, abutting tideland, shoreland or upland property. Attach copy of deed, contract of sale or notarized waiver from legal owner of the property.
- 6.(b) Exhibit showing location of lease area and improvements located with the lease. Follow instructions below "Specification for Exhibit A."
- 6.(c) **US Army Corps of Engineers Public Notice Number.** A US Army Corps of Engineers permit is required for any structure constructed below the mean high water line in navigable waters of the US. You can apply the Seattle Office of the Corps of Engineers. A lease cannot be issued until you furnish us a copy of the issued permit. If you have already applied, enter their application number.

NOTE: Issuance of US Army Corps permit requires the approval of several agencies, including this department. We will give our approval to the US Army Corps upon satisfaction of our pre-lease requirements.

- 6.(d) **Shoreline Substantial Development Permit Number.** A shoreline Substantial Development Permit may be required for your project. If the county or city government requires a permit for this project, and you have already applied, enter the permit number on the application and submit a copy to the Department of Natural Resources when it is approved. If a Substantial Development Permit is not required, please write "Exempt" in the space provided and provide notice of exemption issued by the permitting agency.
- 6.(e) **The State Environmental Policy Act (SEPA) guidelines** require that environmental impacts of many projects be identified in a standard Environmental Checklist. If you have applied to the county or city, enter their application number and enclose a copy of the Environmental Checklist or Declaration of Nonsignificance required for your Substantial Development Permit. If you have not applied or wrote "Exempt" on 5(d) above, a SEPA Checklist must be completed and submitted with your application.
- 6.(f) Send application and check to:

Department of Natural Resources
Division of Aquatic Lands
1111 Washington Street SE
PO Box 47027
Olympia, WA 98504-7027

SPECIFICATIONS FOR EXHIBIT A

The following exhibit is required for each application to lease. Exhibit A must be signed by a licensed land surveyor. Name, address, and telephone number of preparer must appear on exhibits.

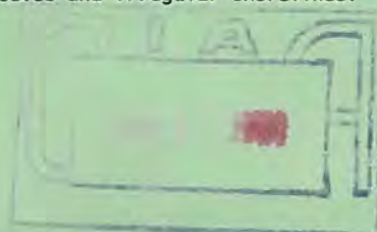
Exhibit A - Exact Location of Lease Area

1. Exhibit must be no larger than 17 inches by 22 inches.
2. Distances and directions to the lease area from established property corners of a recorded subdivision or government survey monumentation must be clearly marked and referenced.
3. Exhibit must show the location of the following lines for:
 - (a) Tidal Areas - Government meander line, line of mean high tide, line of mean low tide, and line of extreme low tide (include name of tidal bench mark used for tide stages);
 - (b) Lakes - Government meander line, line of ordinary high water (original ordinary high water if area has experienced artificial raising or lowering of water level), and line of ordinary low water (include source of data);
 - (c) Rivers - Line of ordinary high water and line of ordinary low water (include source of data).
4. Where existing, exhibit must show location of lots of blocks of platted tide or shore lands, inner and outer harbor lines, and any local construction limit lines.
5.
 - (a) Requested lease area boundaries must be clearly shown with identification of distances and directions of all boundary lines, and acreage or square footage of lease area. Lease area boundaries must include as a minimum area the length of the structure on public land (plus normal moorage usage) times the maximum width (including normal moorage). Fairways and open water areas bounded by structures shall also be part of the lease area.
 - (b) Legal Description - Describe the actual area you are requesting to lease. Narrative legal description must correspond to Exhibit A and contain a beginning point tied to known property corners, subdivision and/or government monumentation. It must be prepared on a separate sheet of paper, signed and stamped by a licensed land surveyor and attached to Exhibit A.
6. Exhibit must show detailed plan of improvements to be made or already existing on lease area, such as proposed piers, wharves, bulkheads, breakwaters, dolphins, buoys, or other structures to be placed on state-owned aquatic lands including a plan of slips, together with north arrow, scale (in feet or tenths with a bar scale for use in reduction of the exhibit).

Note 1: Where pertinent to the particular structures, profile view may be required showing height above water and details of super structures, location of anchors and cables, and depth of water.

Note 2: Additional information will be required for your plan of development, operation, and maintenance.

Note 3: The lease of aquatic lands is often subject to preference rights. Applicants and surveyors should carefully determine the direction, and show detail of, the proration of coves and irregular shorelines.



COPY RECEIVED

APR 3 1988

TREECE, RICHDALE
MALONE, CORNING, ABBOTT, INC. P.S.

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR KITSAP COUNTY

DONALD RASMUSSEN and
GARY DEAL d/b/a COLONIAL
MANOR,

Plaintiff,

vs.

PORT WASHINGTON MARINA
OWNERS ASSOCIATION,

Defendant.

NO.

COMPLAINT OF EJECTMENT,
MANDATORY INJUNCTION
AND DAMAGES

COMES NOW the Plaintiffs Donald Rasmussen and Gary Deal
d/b/a Colonial Manor and allege as follows:

1. The above entitled court has jurisdiction over the
parties and the subject matter hereto.

2. Port Washington Properties Owners Associaton is a
corporation under the laws of the State of Washington.

3. Plaintiffs are the owners of real property legally
described as:

Government Lot 7 in section 11, township 24 North,
range 1 east, W.M., in Kitsap County, Washington;
except that portion lying within supplemental plat
of Bayview Garden tracts according to Plat recorded
in Volume 5 of plats, page 19; and except Naval Avenue.

COMPLAINT OF EJECTMENT,
MANDATORY INJUNCTION
AND DAMAGES - 1

Law Offices of
Sexton & Bratt
Attorneys at Law
1126 Highland Avenue
Bremerton, Washington 98310

DNR-00018432

1 4. Defendant Port Washington Marina Association is the
2 lessee under a tide land lease for property situated to the
3 northeast of plaintiffs' real property. Defendant has constructed
4 a Marina entitled Port Washington Marina on and over said tide land
5 property.

6 5. Additionally, defendant and/or its predecessors in
7 title constructed a Harbor Master Building, a bathhouse, laundry
8 and a four (4) foot wide walkway, each of which encroach and, in
9 part, are located upon plaintiffs' real property. Said
10 encroachments were constructed in the year 1985. The Harbor Master
11 Building and bathhouse encroachment is located in the northeast
12 section of plaintiffs' property. The 4' walkway encroachment is
13 located on the northwest section of plaintiffs' property.

14 6. Although repeated demand has been made, defendant
15 Port Washington Marina Owner's Association has failed and refused
16 to remove the encroachments.

17 7. Plaintiffs are entitled to entry of a judgment
18 ejecting defendant from Plaintiffs' property and issuance of a
19 mandatory injunction requiring defendants to immediately remove the
20 encroaching Harbor Master Building, bathhouse, laundry and 4' wide
21 walkway from Plaintiffs' property.

22 Further, by way of

23 SECOND CAUSE OF ACTION

24 8. Plaintiffs reallege paragraphs 1 through 6 of the
25 first cause of action as if fully set forth herein.

26 COMPLAINT OF EJECTMENT,
27 MANDATORY INJUNCTION
28 AND DAMAGES - 2

1 9. In the event the court should fail to issue a
2 mandatory injunction and/or Judgment of Ejectment, then Plaintiffs
3 are entitled to judgment against defendants for the fair market
4 value of the Plaintiffs' property encroached upon plus the fair
5 market value of such property as is necessary for the structures to
6 comply with City of Bremerton zoning and setback requirements.

7 WHEREFORE, plaintiffs pray judgment as follows:

8 a) For a judgment ejecting defendants from plaintiffs'
9 real property.

10 b) For issuance of a temporary and permanent mandatory
11 injunction directing the defendants to immediately remove the
12 Harbor Master House, laundry, bathhouse and 4' walkway from
13 plaintiffs' property.

14 c) In the alternative for damages in a sum equal to the
15 fair market value of the land encroached upon plus the fair market
16 value for such additional property as is necessary to place
17 defendant in compliance with City of Bremerton zoning and setback
18 requirements.

19 d) For such other and further relief as the court may
20 deem just and proper.

21 DATED this 24th day of March, 1989.

22
23 SEXTON & BRATT

24 

25 GARY H. SEXTON
26 Attorney for Donald Rasmussen
 and Gary Deal

27 COMPLAINT OF EJECTMENT,
28 MANDATORY INJUNCTION
AND DAMAGES - 3

DECLARATION OF SERVICE BY MAIL
I declare under penalty of perjury under the laws of
the State of Washington that on this date I caused to
be deposited in the Post Office, postage prepaid, a
true copy of the foregoing addressed to:

Gary H. Sexton

at the regular office or residence thereof.

Executed Seattle, Washington, on 6/8/89

Patricia M. Fortune
Patricia M. Fortune

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KITSAP

DONALD RASMUSSEN and GARY DEAL
d/b/a COLONIAL MANOR,

Plaintiffs,

vs.

PORT WASHINGTON MARINA
OWNERS ASSOCIATION,

Defendant/Third-Party
Plaintiff,

vs.

GREAT NORTHWEST FEDERAL
SAVINGS & LOAN ASSOCIATION,
a corporation; (b) (6)
and the marital community
composed of (b) (6)

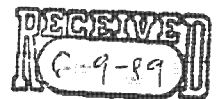
and the marital community
composed of (b) (6)

; and all other
persons or parties unknown,
claiming any right, title,
estate, lien or interest in the
real property described in the
Third-Party Complaint adverse to
Defendant/Third-Party Plaintiff's
leasehold, or any cloud thereon,

Third-Party Defendants.

NO. 89-2-00939-2

ANSWER, AFFIRMATIVE DEFENSES
COUNTERCLAIM FOR QUIET TITLE
AND THIRD-PARTY COMPLAINT



COMES NOW Defendant Port Washington Marina Owners
Association, whose true name is Port Washington Marina
Condominium Owners Association (hereafter "Defendant"), by and

ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT
pf:pt-wash.ans G045-BAA 6-5-89

Richdale, Malone, Corning & Abbott
ATTORNEYS AT LAW

1718 Northwest 56th Street
Post Office Box 70467
Seattle, Washington 98107-0467
Telephone (206) 389-2111

DNR-00018436

through its attorneys, Dale J. Galvin of Treece, Richdale, Malone, Corning & Abbott, P.S., and by way of Answer to Plaintiffs' Complaint, admits, denies and alleges as follows:

I. ANSWER

1. Answering Paragraph 1 of Plaintiffs' Complaint, Defendant admits the same.

2. Answering Paragraph 2 of Plaintiffs' Complaint, Defendant admits that Port Washington Marina Condominium Owners Association is a corporation under the laws of the State of Washington.

3. Answering Paragraph 3 of Plaintiffs' Complaint, Defendant admits that (b) (6) are part owners of the described real property, but deny the balance of the allegations contained in Paragraph 3 insofar as they purport to assert that Plaintiffs, (b) (6) are the sole owners of the subject property.

4. Answering Paragraph 4 of Plaintiffs' Complaint, Defendant admits that Defendant and its predecessors were and are lessees under a tide land lease for property situated to the northeast of Plaintiffs' real property, but denies the balance of the allegation contained therein.

5. Answering Paragraph 5 of Plaintiffs' Complaint, Defendant admits that Defendant's predecessor constructed a Harbormaster Building, bathhouse, laundry and a four foot wide walkway, but is without information sufficient to form a belief as to the truth of the balance of the allegations contained

ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT
pf:pt-wash.ans G045-BAA 6-5-89

Treece, Richdale, Malone, Corning & Abbott
ATTORNEYS AT LAW

1718 Northwest 56th Street
Post Office Box 7467
Seattle, Washington 98147-4467

therein, and therefore denies the same.

6. Answering Paragraph 6, Defendant denies the same.

7. Answering Paragraph 7, Defendant denies the same.

8. Answering Paragraph 8, Defendant repeats its answer to Paragraphs 1 through 6, above, and incorporates the same herein by this reference.

9. Answering Paragraph 9, Defendant denies the same.

II. AFFIRMATIVE DEFENSES

COMES NOW Defendant and by way of affirmative defenses alleges:

10. Plaintiffs have failed to state a claim upon which relief can be granted.

11. Plaintiffs' claims are barred by laches, equitable estoppel and estoppel.

12. Pursuant to an Assignment of Harbor Area Leases dated December 1, 1983, recorded on December 29, 1983 under Kitsap County, Washington Auditor's File Number 8312290194, Defendant is the lessee under Harbor Area Leases Number 2332, 2396, and 2399 granted by the State of Washington, Department of Natural Resources, to the real property described on Exhibit "A" attached hereto and incorporated herein by this reference (hereafter "the Port Washington Property").

Defendant, its landlord, the State of Washington and Defendant's predecessors, have been for more than ten years last past, and now are, in actual open, notorious, adverse, continuous, hostile and exclusive possession, and the State of

ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT
pf:pt-wash.ans G045-BAA 6-5-89

Richdale, Malone, Corning & Abbott
ATTORNEYS AT LAW

618 Northwest 56th Street
Post Office Box 70467
Seattle, Washington 98107-0467
(206) 461-1111

1 Washington is now the owner of, and the Defendant is a tenant of,
2 the Harbormaster Building, bath house, laundry, and four foot
3 wide walkway, described in Plaintiffs' Complaint. Plaintiffs do
4 not in fact have any real, equitable or beneficial interest in
5 the Harbormaster Building, bath house, laundry or four foot wide
6 walkway, nor any part thereof, now owned by the State of
7 Washington, and occupied by Defendant, and Plaintiffs have been,
8 and are, barred from asserting any such right, title or interest
9 by reason of the actual, open, notorious, adverse, hostile,
10 continuous, and exclusive possession of said premises by
11 Defendant, as tenant, its predecessors, and the landlord, the
12 State of Washington, for more than ten years.

13 III. COUNTERCLAIM

14 COMES NOW Defendant and by way of counterclaim against
15 Plaintiffs, Donald Rasmussen and Gary Deal, d/b/a Colonial Manor,
16 and hereby alleges:

17 13. Defendant is a corporation organized and existing under
18 the laws of the State of Washington, having paid all fees and
19 penalties due the State of Washington.

20 14. The Defendants (b) (6) are part
21 owners of the real property described in Paragraph 3 of
22 Plaintiffs' Complaint (hereafter the (b) (6) Property").

23 15. The (b) (6) Property is immediately adjacent to
24 and contiguous to the Port Washington Property owned by the State
25 of Washington.

ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT
pf:pt-wash.ans G045-BAA 6-5-89

Richdale, Malone, Corning & Abbott
ATTORNEYS AT LAW

1718 Northwest 5th Street
Post Office Box 7690
Seattle, Washington 98107

16. On or about December 1, 1983, pursuant to an Assignment of Harbor Area Leases recorded with the Kitsap County, Washington Auditor under File Number 8312290194, Defendant acquired from the State of Washington the lessee's interest in the Port Washington Property.

17. For more than ten years, the Defendant, as tenant, its predecessors, and the State of Washington, as landlord, have been in open, notorious, exclusive, hostile, adverse, continuous and actual possession under a claim of right to the property upon which the Harbormaster Building, bath house, laundry room and four foot wide walkway are currently located, all of which are within the legal description of the (b) (6) Property. Defendant has a continuing right to such possession.

18. Defendant is informed and believes, and on such information and belief alleges, that Plaintiffs make some claim to the Harbormaster Building, bath house, laundry and four foot wide walkway adverse to Defendant's leasehold interest.

19. Plaintiffs' claims to the Harbormaster Building, bath house, laundry and four foot wide walkway are wholly without right and constitute a cloud on Defendant's leasehold which Defendant desires to remove.

20. Defendant is currently surveying the exact location of the Harbormaster Building, laundry, bath house, and four foot wide walkway, and upon completion of said survey, Defendant reserves the right to amend its pleadings to set forth the legal description of said property for the purpose of quieting title in the same.

ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT
pf:pt-wash.ans G045-BAA 6-5-89

By: Thos. Richdale, Malone, Corning & Abbott

ATTORNEYS AT LAW

1025 Northwest 86th Street
Seattle, WA 98107

IV. THIRD-PARTY COMPLAINT

COMES NOW Defendant/Third Party Plaintiff, Port Washington Marina Condominium Owners Association (hereafter "Defendant/Third Party Plaintiff") and for claim of relief against Defendants (b) (6), and the marital community composed of (b) (6) and the marital community composed of (b) (6); Great Northwest Federal Savings & Loan Association, a corporation, and all other persons or parties unknown, claiming any right, title, estate, lien or interest in the real property hereafter described adverse to Defendant/Third-Party Plaintiffs' tenant's interest, or any cloud upon Defendant's leasehold thereto, and alleges:

21. Defendant/Third-Party Plaintiff repeats and realleges Paragraphs 13, 15, 16, 17 and 20 of Defendant's Counterclaim herein and incorporates the same by this reference.

22. Defendant/Third-Party Plaintiff is informed, believes and therefore alleges that all times pertinent herein (b) (6) was the over the age of 18 years, competent and a resident of Kitsap County, Washington; that (b) (6) and constituted a marital community under the laws of the State of Washington, and were part owners of the (b) (6) Property.

23. Defendant/Third-Party Plaintiff is informed, believes and therefore alleges that at all times material herein, (b) (6) was over the age of 18 years, competent and a resident of Kitsap County, State of Washington; that (b) (6), and constituted a

ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT -6
pf:pt-wash.ans G045-BAA 6-5-89

Tracy, Richdale, Malone, Corning & Abbott
ATTORNEYS AT LAW

1715 Northwest 56th Street
Post Office Box 3500
Seattle, Washington 98107-0350
Telephone: 276-1100

1 marital community under the laws of the State of Washington, and
2 were part owners of the (b) (6) Property.

3 24. Defendant/Third-Party Plaintiff is informed, believes
4 and therefore alleges that the (b) (6) Property is held
5 for the benefit of the marital communities of (b) (6) ,
6 , and (b) (6) .

7 25. Defendant Great Northwest Federal Savings & Loan
8 Association, is a Federal Savings & Loan Association doing
9 business in Kitsap County, Washington and claims an interest in
10 the (b) (6) Property, which is owned by Plaintiffs, (b) (6)
11 , and the marital community composed of (b) (6) ,
12 and the marital
13 community composed of (b) (6) ,
14 all within Kitsap County, Washington, more particularly described
15 in Paragraph 3 of Plaintiffs' Complaint.

16 The Defendant Great Northwest Federal Savings & Loan
17 Association, is reputed to have made a real estate loan to (b) (6)
18 , as his separate estate, and (b) (6)
19 and used as collateral therefor, the (b) (6)
20 Property. Said loan is evidenced by Deed of Trust dated August
21 29, 1977, recorded September 6, 1977, under Kitsap County,
22 Washington Auditor File Number 7709060045.

23 The lien of Defendant Great Northwest Federal Savings & Loan
24 Association upon that portion of the (b) (6) Property
25 consisting of the Harbormaster Building, laundry, bath house and
four foot wide walkway is without right, constitutes a cloud on

Defendant/Third-Party Plaintiff's leasehold, which Defendant/
Third Party desires to remove.

26. Defendant/Third-Party Plaintiff is informed and believes, and on such information and belief alleges that Defendant (b) (6), and the marital community composed of (b) (6), Defendant (b) (6), and the marital community composed of (b) (6), and all other persons or parties unknown, make some claim to the Harbormaster Building, bath house, laundry and four foot wide walkway adverse to Defendant/Third-Party Plaintiff's leasehold interest.

The claims of (b) (6), and the marital community composed of (b) (6) and the marital community composed of (b) (6), and all other persons or parties unknown to the Harbormaster Building, bath house, laundry and four foot wide walkway is wholly without right and constitute a cloud on Defendant/Third-Party Plaintiff's leasehold, which Defendant/Third Party Plaintiff desires to remove.

V. PRAYER

WHEREFORE, Defendant/Third Party Plaintiff, Port Washington Marina Condominium Owners Association having fully answered Plaintiff's Complaint prays as follows:

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ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT -8
pf:pt-wash.ans G045-BAA 6-5-89

Trace, Richdale, Malone, Corning & Abbott

ATTORNEYS AT LAW

1718 Northwest 3rd Street

Fort Lauderdale, FL 33311

Telephone: (305) 575-1111

1) That the Complaint of Plaintiffs against Port Washington Marina Condominium Owners Association be dismissed with prejudice and that the Port Washington Marina Condominium Owners Association be awarded its reasonable costs and attorney's fees for defending the same.

2) That the leasehold interest of the Port Washington Marina Condominium Owners Association in and to the Harbormaster Building, bath house, laundry and four foot wide walkway located on the (b) (6) Property be quieted and confirmed in Defendant, and that Plaintiffs be forever barred and estopped from having or claiming any right, title or interest thereto.

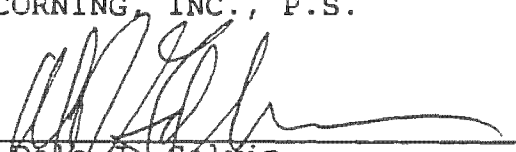
3) In the alternative, in the event title to the leasehold is not quieted in Defendant as prayed for in Paragraph 2 of the prayer herein, Defendant be awarded judgment against Plaintiffs for the reasonable value of the Harbormaster Building, bath house, laundry and four foot wide walkway improvements pursuant to RCW 7.28.180.

4) Defendant/Third-Party Plaintiff further prays that it be awarded judgment on its Third-Party Complaint against the Third-Party Defendants as follows: That the leasehold interest of the Port Washington Marina Condominium Owners Association in and to the Harbormaster Building, bath house, laundry and four foot wide walkway improvements located on the (b) (6) Property be quieted and confirmed in Defendant/Third-Party Plaintiff and that Third Party Defendants be forever barred and estopped from having or claiming any right, title or interest thereto.

1 5) That Defendant be awarded such other and further relief
2 as the Court may deem just and proper.

3 DATED this 8 day of June, 1989.

4 TREECE, RICHDALE, MALONE &
5 CORNING, INC., P.S.

6
7 By 
8 Dale J. Calvin
9 Of Attorneys for Defendant
10 Port Washington Marina
11 Condominium Owners Association

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ANSWER/AFFIRMATIVE DEFENSES/COUNTERCLAIM
FOR QUIET TITLE & THIRD PARTY COMPLAINT -10
pf:pt-wash.ans G045-BAA 6-5-89

Treece, Richdale, Malone, Corning & Abbott
ATTORNEYS AT LAW
1715 Northwest 56th Street
Post Office Box 70467
Seattle, Washington 98147-0467
Telephone: 325-8881

EXHIBIT "A"

Parcel A

That portion of the harbor area situate in front of Government Lot 7, Section 11, Township 24 North, Range 1 East, W.M., in Kitsap County, Washington, included in a trace described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of Lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, North 75°43'57.8" West 112 feet, thence North 63°38'00" West 148.126 feet, thence North 74°55'00" West, 193 feet, thence North 16°00'00" East across the harbor area 195 feet to a point on the outer harbor line, thence South 74°00'00" East along said outer harbor line 450 feet to a point which bears North 16°00'00" East from the point of beginning and then South 16°00'00" West, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as Leasehold 2332.

Parcel B

That portion of the harbor area lying in front of Lot 7, Section 11, Township 24 North, Range 1 East, W.M., Kitsap County, Washington described by metes and bounds as follows:

Commencing at the intersection of the West line of Lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence North 16° East 215 feet, more or less, to the outer harbor line, thence North 74° West along said outer harbor line 450 feet to the true point of beginning, thence South 16° West 195 feet, more or less, to the inner harbor line, thence Westerly along said inner harbor line to the West line of said Lot 7, thence Northerly along the West line of said Lot 7, produced to the outer harbor line, thence South 74° East along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as Leasehold 2396.

Parcel C

That portion of the Harbor area lying in front of Lot 6, Section 11, Township 24 North, Range 1 East, W.M., in Kitsap County, Washington between the Easterly line of Waterway number 4 and the East line of Lot 6 of said Section 11, produced Northerly across the harbor area to the outer harbor line. Also known as Leasehold A-2399.

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4 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR KITSAP COUNTY

5 DONALD RASMUSSEN and GARY DEAL,
6 d/b/a COLONIAL MANOR,

7 Plaintiffs,

8 vs.

9 PORT WASHINGTON MARINA OWNERS
ASSOCIATION,

10 Defendant.

)
)
)
) NO.

)
)
) SUMMONS
) (20 days)

11
12 A lawsuit has been started against you in the above en-
13 titled Court by the above named Plaintiff(s). Plaintiff's claim is
stated in the written Complaint, a copy of which is served upon you
with this Summons.

14 In order to defend against this lawsuit, you must respond
15 to the Complaint by stating your defense in writing, and serve a
copy upon the undersigned attorney for the Plaintiff within 20 days
16 after the service of this Summons, excluding the day of service, or
a default judgment may be entered against you. A default judgment
17 is one where Plaintiff is entitled to what he asks for because you
have not responded. If you serve a Notice of Appearance on the
undersigned attorney, you are entitled to notice before a default
18 judgment may be entered.


19 You may demand that the Plaintiff file this lawsuit with
the Court. If you do so, the demand must be in writing and must be
20 served upon the Plaintiff. Within 14 days after you serve the
demand, the Plaintiff must file this lawsuit with the Court, or the
service on you of this Summons and Complaint will be void.

21 If you wish to seek the advice of an attorney in this
22 matter, you should do so promptly so that your written response, if
any, may be served on time.

23 This Summons is issued pursuant to Rule 4 of the Superior
Court Civil Rules of the State of Washington.

24 LAW OFFICES OF SEXTON & BRATT

25 DATED: March 24, 1989


26 GARY H. SEXTON
Attorney for Plaintiff

SUMMONS

Law Offices of
Sexton & Bratt
Attorneys at Law
1126 Highland Avenue
Bremerton, Washington 98310
206-476-6800

DNR-00018447

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APR 3 1989

TREECE, RICHDALE
MALONE, CORNING, ABBOTT, INC. P.S.

1

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3

4 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR KITSAP COUNTY

5 DONALD RASMUSSEN and)

6 GARY DEAL d/b/a COLONIAL)

7 MANOR,) NO.

8)

9) COMPLAINT OF EJECTMENT,

10) MANDATORY INJUNCTION

11) AND DAMAGES

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COMPLAINT OF EJECTMENT,
MANDATORY INJUNCTION
AND DAMAGES - 1

Law Offices of
Sexton & Bratt
Attorneys at Law
1126 Highland Avenue
Bremerton, Washington 98310
(206) 479-5808

DNR-00018448

1 4. Defendant Port Washington Marina Association is the
2 lessee under a tide land lease for property situated to the
3 northeast of plaintiffs' real property. Defendant has constructed
4 a Marina entitled Port Washington Marina on and over said tide land
5 property.

6 5. Additionally, defendant and/or its predecessors in
7 title constructed a Harbor Master Building, a bathhouse, laundry
8 and a four (4) foot wide walkway, each of which encroach and, in
9 part, are located upon plaintiffs' real property. Said
10 encroachments were constructed in the year 1985. The Harbor Master
11 Building and bathhouse encroachment is located in the northeast
12 section of plaintiffs' property. The 4' walkway encroachment is
13 located on the northwest section of plaintiffs' property.

14 6. Although repeated demand has been made, defendant
15 Port Washington Marina Owner's Association has failed and refused
16 to remove the encroachments.

17 7. Plaintiffs are entitled to entry of a judgment
18 ejecting defendant from Plaintiffs' property and issuance of a
19 mandatory injunction requiring defendants to immediately remove the
20 encroaching Harbor Master Building, bathhouse, laundry and 4' wide
21 walkway from Plaintiffs' property.

22 Further, by way of

23 SECOND CAUSE OF ACTION

24 8. Plaintiffs reallege paragraphs 1 through 6 of the
25 first cause of action as if fully set forth herein.

26 COMPLAINT OF EJECTMENT,
27 MANDATORY INJUNCTION
28 AND DAMAGES - 2

1 9. In the event the court should fail to issue a
2 mandatory injunction and/or Judgment of Ejectment, then Plaintiffs
3 are entitled to judgment against defendants for the fair market
4 value of the Plaintiffs' property encroached upon plus the fair
5 market value of such property as is necessary for the structures to
6 comply with City of Bremerton zoning and setback requirements.

7 WHEREFORE, plaintiffs pray judgment as follows:

8 a) For a judgment ejecting defendants from plaintiffs'
9 real property.

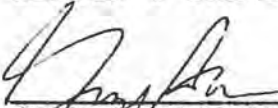
10 b) For issuance of a temporary and permanent mandatory
11 injunction directing the defendants to immediately remove the
12 Harbor Master House, laundry, bathhouse and 4' walkway from
13 plaintiffs' property.

14 c) In the alternative for damages in a sum equal to the
15 fair market value of the land encroached upon plus the fair market
16 value for such additional property as is necessary to place
17 defendant in compliance with City of Bremerton zoning and setback
18 requirements.

19 d) For such other and further relief as the court may
20 deem just and proper.

21 DATED this 24th day of March, 1989.

22
23 SEXTON & BRATT

24 

25 GARY H. SEXTON
26 Attorney for Donald Rasmussen
 and Gary Deal

27 COMPLAINT OF EJECTMENT,
28 MANDATORY INJUNCTION
AND DAMAGES - 3

RIDER

To be attached to and form a part of Bond No. 505-5387 dated the
13TH day of JUNE, 19 83 issued by _____
HARTFORD ACCIDENT & INDEMNITY COMPANY to _____
PORT WASHINGTON MARINA OWNERS ASSOCIATION Principal
in favor of STATE OF WASHINGTON Oblige.

It is understood and agreed, that the name of the principal is changed

FROM: PORT WASHINGTON MARINA OWNERS ASSOCIATION

TO: PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION, INC.

The attached Bond shall be subject to all its agreements, limitations
and conditions except as modified herein.

This rider shall become effective the 28TH day of OCTOBER, 1987.

SIGNED, SEALED AND DATED this 28TH day of OCTOBER, 1987.

PORT WASHINGTON MARINA
CONDOMINIUM OWNERS ASSOCIATION, INC.
Principal

By: Karl F. Sauglit
PRESIDENT, PWMCOA, INC.

HARTFORD ACCIDENT & INDEMNITY COMPANY
Surety

By: Robert M. Carlton
ROBERT M. CARLTON Attorney-in-fact

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Hartford, Connecticut

POWER OF ATTORNEY

526027

Know all men by these Presents, That the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, does hereby make, constitute and appoint

WILLIAM C. NELSON, ROBERT M. CARLTON, STEVE JAMES, JOSEPH B. BUCHANAN,
TERESE L. McCONNELL, MARK M. WILSON and KEVIN W. McMAHON
of SEATTLE, WASHINGTON

its true and lawful Attorney(s)-in-Fact, with full power and authority to each of said Attorney(s)-in-Fact, in their separate capacity if more than one is named above, to sign, execute and acknowledge any and all bonds and undertakings and other writings obligatory in the nature thereof on behalf of the company in its business of guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; guaranteeing the performance of insurance contracts where surety bonds are accepted by states and municipalities, and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed.

and to bind the HARTFORD ACCIDENT AND INDEMNITY COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the HARTFORD ACCIDENT AND INDEMNITY COMPANY and sealed and attested by one other of such Officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This power of attorney is granted by and under authority of the following provisions:

(1) By-Laws adopted by the Stockholders of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 10th day of February, 1943.

ARTICLE IV

SECTION 8. The President or any Vice-President, acting with any Secretary or Assistant Secretary, shall have power and authority to appoint, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact and at any time to remove any such Resident Vice-President, Resident Assistant Secretary, or Attorney-in-Fact, and revoke the power and authority given to him.

SECTION 11. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company thereto any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested by one other of such Officers.

(2) Excerpt from the Minutes of a meeting of the Board of Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY duly called and held on the 11th day of June, 1976:

RESOLVED: Robert N. H. Sener, Assistant Vice-President and Thomas F. Delaney, Assistant Vice-President, shall each have as long as he holds such office the same power as any Vice-President under Sections 6, 7 and 8 of Article IV of the By-Laws of the Company.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 6th day of August, 1976.

RESOLVED: That, whereas Robert N. H. Sener, Assistant Vice-President and Thomas F. Delaney, Assistant Vice-President, acting with any Secretary or Assistant Secretary, each have the power and authority, as long as he holds such office, to appoint by a power of attorney, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Assistant Secretaries and Attorneys-in-Fact;

Now, therefore, the signatures of such Officers and the seal of the Company may be affixed to any such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

In Witness Whereof, the HARTFORD ACCIDENT AND INDEMNITY COMPANY has caused these presents to be signed by its Assistant Vice-President, and its corporate seal to be hereto affixed, duly attested by its Secretary, this 1st day of April, 1983.

Attest:

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Mary Scharf

Mary Scharf, Secretary



Robert N. H. Sener

Robert N. H. Sener
Assistant Vice-President

STATE OF CONNECTICUT, }
COUNTY OF HARTFORD, } ss.

On this 1st day of April, A.D. 1983, before me personally came Robert N. H. Sener, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice-President of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

STATE OF CONNECTICUT, }
COUNTY OF HARTFORD, } ss.



CERTIFICATE

I, the undersigned, Assistant Secretary of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore, that Article IV, Sections 8 and 11, of the By-Laws of the Company, and the Resolutions of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City of Hartford. Dated the 28th day of October 1987



Gloria Mazotas

Gloria Mazotas, Notary Public
My Commission Expires March 31, 1988

David A. Johnson
David A. Johnson
Assistant Secretary

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Brian J. Boyle
Commissioner of Public Lands
Olympia, WA 98504

TRO 8/8/2014

Amendment to Lease No. HA-2332

WHEREAS, the Lessee, Port Washington Properties, Inc., requests that the annual rental and other conditions of the above lease be amended to reflect certain provisions of Chapter 221, Laws of 1984; it is, therefore,

AGREED:

1) That clauses 2.1, 3.1, 3.3 and 6.9 are deleted and substituted with the following clauses:

Clause 2.1 Permitted use. The Lessee shall have use of the premises for:

Moorage floats and moorage for the marina

Clause 3.1 Rent.

a) Annual Rent. Annual rent in the amount of \$3,201.00, as determined by the Lessor in accordance with Chapter 221, Laws of 1984 (RCW 79.90.450 - .902), or as amended by subsequent legislation, is due and payable in advance by the Lessee to the Lessor and is the essence of this lease, and is a condition precedent to the continuance of this lease or any rights thereunder. Payment is to be to the Department of Natural Resources, Olympia, Washington, 98504.

b) Inflation Adjustment. Annual rent shall be adjusted each year according to the change in the Producer Price Index, as provided by regulations of the Department of Natural Resources.

c) Interest Penalty for Past Due Rent Balances. A one percent (1%) charge, per month, shall be due to Lessor, from Lessee, on any rent balance which is more than thirty (30) days past due.

Clause 3.3 Revaluation of Rent. The annual rent for this lease shall be subject to revaluation by the Lessor four (4) years from the effective date of this amendment and each (4) four years thereafter in accordance with RCW 79.90.480 or as amended by subsequent legislation.

2) That a clause be added to read as follows:

Clause 6.9 Security. The Lessee shall furnish a surety bond in the amount of \$4,000.00, as determined by the lessor as a guarantee of the faithful performance of the conditions and terms prescribed in this lease. Security other than a surety bond may be substituted if first approved in writing by Lessor.

The Lessee expressly agrees to all covenants herein and for any payments hereinbefore specified.

The effective date of this amendment is November 1, 1984.

Executed this 2 day of October, A.D. 1987.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

John De Meyer
JOHN DE MEYER, MANAGER
Marine Land Management Division
For BRIAN J. BOYLE, Commissioner

Signed this 15th day of FEBRUARY, A.D. 1985.

~~PORT WASHINGTON PROPERTIES, INC.~~
PORT WASHINGTON MARINA OWNERS' ASSOCIATION

By Mark A. Owen, Jr.

~~20 W. Galer~~ 1805 THOMPSON
~~Seattle, WA 98119~~ BREMERTON, WA 98312

TRO 8/8/2014

CERTIFICATE OF
DEPARTMENTAL ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
COUNTY OF THURSTON)

On this 2nd day of October, 19 87, before me personally appeared John R. De Meyer, to me known to be the Manager of the Division of Aquatic Lands, of the Department of Natural Resources that executed the within and foregoing instrument, No. HA-2332, and acknowledged said instrument to be the free and voluntary act and deed of the department for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Edith P. Murrey
Notary Public in and for the state of
Washington
My appointment expires June 1, 1989

1
2
3
4 SUPERIOR COURT OF WASHINGTON FOR KITSAP COUNTY
5

6 CITY OF BREMERTON, a municipal
corporation,)

7 Plaintiff,)

8 v.)

9 PORT WASHINGTON PROPERTIES, INC.,)
10 a Washington corporation,)

11 Defendant.)
12

NO. 86 2 00901 1

NOTICE OF APPEARANCE

13 TO: All parties and their counsel of record

14 AND TO: Clerk of the above-entitled Court

15 PLEASE TAKE NOTICE that the appearance of the defendant,
16 Port Washington Properties, Inc., is hereby entered in the
17 above-entitled action through the undersigned attorneys.
18 Kindly serve all future pleadings or papers, except process,
19 upon said attorneys at their below-stated address.

20 DATED this 12th day of August, 1986.

21 FOULDS, FELKER, PIERSON,
22 RYDER & McHUGH, INC., P.S.

23 By


John A. McHugh

24 Attorneys for Defendant
25 Port Washington Properties

26 NOTICE OF APPEARANCE
27 0397P
28

FOULDS, FELKER, PIERSON, RYDER & McHUGH, INC., P.S.
ATTORNEYS AT LAW
1023 COLUMBIA STREET
SEATTLE, WASHINGTON 98104
(206) 622-1264

FILED

IN OPEN COURT

JUL 9 1986

ROBERT L. FREUDENSTEIN, Clerk

By _____

SUPERIOR COURT OF WASHINGTON FOR KITSAP COUNTY

CITY OF BREMERTON, a
municipal corporation,

Plaintiff,

vs.

PORT WASHINGTON PROPERTIES,
INC., a Washington
corporation,

Defendant.

NO.

86 2 00901 1

COMPLAINT

COMES NOW, City of Bremerton Plaintiff herein, and for cause
of action against Defendant, alleges as follows:

I

Plaintiff City of Bremerton is a municipal corporation,
organized and existing under the laws of the State of Washington.

II

Defendant Port Washington Properties, Inc., hereinafter
"PWP" a Washington corporation, is and was the owner of a
leasehold estate and developer of the marina facility called
"Port Washington Marina," hereinafter "Marina", which consists of
various structures and a floating dock system having eighty slips
and is located in the City of Bremerton, lying adjacent to Port
Washington Narrows near Anderson Cove.

COMPLAINT - 1

WILLIAM BROUGHTON
BREMERTON CITY ATTORNEY
239 FOURTH STREET
BREMERTON WA 98310
(206) 478-5345

III

1 In conjunction with the development of its Marina, PWP
2 applied for various permits from the City including, but not
3 limited to, a Shoreline Substantial Development Permit and
4 Conditional Use Permit and submitted to the City marina plans
5 which indicated that riprap would be installed along the dredged
6 banks of the marina.
7

IV

8 Neither PWP nor any of its contractors installed riprap
9 along the dredged banks of the marina to prevent beach erosion
10 and sloughage.
11

V

12 As a result of failing to install riprap, substantial
13 erosion and sloughage of beach material has occurred and
14 continues to occur along the dredged slopes of the marina.
15

VI

16 The erosion and sloughage problem at the marina site is
17 exacerbated by dredging done at the direction of PWP which was
18 illegal and/or negligently planned and/or carried out.
19

VII

20 City of Bremerton is the owner of certain wastewater
21 facilities. In 1984 the City installed close to the bank an
22 eight inch PVC high pressure sewer pipeline across the tidelands
23 adjacent to the marina. In connection with such sewer pipeline,
24 the City holds a grant of easement from the State of Washington
25

26 COMPLAINT - 2

WILLIAM BROUGHTON
BREMERTON CITY ATTORNEY
239 FOURTH STREET
BREMERTON, WA 98310
(206) 478-5345

1 under a certain agreement (#45730) dated November 1, 1983. By
2 reason of such grant, the City possesses the right of quiet
3 enjoyment with respect to the use of its high pressure sewer
4 line.

5 VIII

6 The City formerly operated another sewer line running under
7 the beach at the marina site which it has since abandoned in
8 favor of the sewer line installed in 1984. The City had intended
9 to relocate the old sewer line but was forced to do so much
10 earlier than planned because the beach had eroded and left these
11 pipes exposed, threatening rupture. In drafting the original
12 plans for installation of the new pipeline, the City's Engineer
13 relied on assertions made by PWP that riprap would be installed
14 along the dredged banks of the marina slope to address potential
15 erosion. The failure of PWP to install riprap resulting in an
16 unanticipated rate of erosion and it was necessary to redesign
17 the plans for the new sewer line.

18 IX

19 The costs to the City of redesigning and additional costs of
20 relocating the new sewer line which can be attributed to the
21 beach erosion caused by the marina project at the marina site
22 total approximately \$30,000.00.

23 X

24
25 COMPLAINT - 3
26

WILLIAM BROUGHTON
BREMERTON CITY ATTORNEY
239 FOURTH STREET
BREMERTON WA 98310
(206) 478-5345

1 Since shortly after the dredging was done in late 1983,
2 during low tides substantial sloughage of beach material along
3 the dredged slopes of the marina has been observed. Sinkage
4 along the beach has been noticed threatening to expose the new
5 high pressure sewer line.

6 XI

7 PWP is committing continuous trespass on the City's
8 sewerline easement across the tidelands granted from the State of
9 Washington.

10 XII

11 Because of the apparent rate of beach erosion, the City of
12 Bremerton fears that the beach instability is threatening its
13 high pressure sewer line. The City is also concerned that an
14 unstable beach condition poses a potential hazard to the upland
15 hillside above the beach on which is located a seventy-five unit
16 apartment complex named "Colonial Manor Apartments." Long term
17 beach erosion has a propensity to cause landslides along the
18 upland slope.

19 XII

20 The City Engineering Department has investigated and
21 monitored the beach condition adjacent to the marina since
22 shortly after dredging began. Numerous tests and examinations
23 have been made of the beach and upland slope by its consultants,
24 CH2MHill. Such tests include inclinometer studies of the

1 hillside, sample soil borings along the beach, and monitoring of
2 beach elevations.

3 XIII

4 The cost to date of the studies, investigation, and
5 monitoring undertaken by, or under the direction of, the City
6 Engineering Department of the beach condition adjacent to the
7 marina totals to date approximately \$90,000.00. This cost will
8 increase as investigations and monitoring continue.

9 XIV

10 By reason of its investigation, the City Engineering
11 Department has determined that a substantial hazard exists to its
12 new high pressure pipeline due to predictable long term beach
13 erosion that, without intervention or modification, will
14 destabilize the pipeline, causing it to rupture and empty raw
15 sewage into Port Washington Narrows. At this point, mere
16 installation of riprap may be insufficient to correct or prevent
17 erosion on any longterm or permanent basis.

18 XV

19 Engineering studies have shown that the unstable condition
20 of the beach described herein resulted from the dredging
21 operations to construct the marina and has been exacerbated by
22 erosion caused by tidal action. Such factors operating together
23 have set in motion the chain of events causing the injury alleged
24 herein.

25 XVI

26 COMPLAINT - 5

WILLIAM BROUGHTON
BREMERTON CITY ATTORNEY
239 FOURTH STREET
BREMERTON WA 98310
(206) 478-5345

1 The City has made demand upon PWP to undertake all measures
2 necessary to correct the instability of the beach. Measures
3 discussed include installation of a retaining wall or sheet
4 piling along the toe of the beach. In addition, to stabilize the
5 hillside, it will be necessary to replace the material which has
6 eroded away after a retaining wall is built.

7 XVII

8 In 1984, PWP installed some temporary protective measures
9 along portions of the beach front which have been substantially
10 ineffective in controlling long-term beach erosion. Despite
11 repeated promises and assurances to correct the problem, PWP has
12 refused to take corrective measures which would permanently
13 prevent further erosion and has failed to correct the damage to
14 the beach and hillside that has occurred to date.

15 XVIII

16 PWP has instituted a lawsuit in Kitsap County Superior Court
17 (#85-2-01592-6) against insurance carriers and other defendants
18 in connection with Port Washington Marina.

19 WHEREFORE, Plaintiff City of Bremerton demands judgment as
20 follows:

21 1. As against Defendant Port Washington Properties, Inc.,
22 compensatory damages in an amount to be specifically proven at
23 the time of trial, but for purposes of this Complaint are alleged
24 to be in excess of \$500,000.00, together with costs, attorney
25 fees, interest and prejudgment interest, as provided by law.

26 COMPLAINT - 6

WILLIAM BROUGHTON
BREMERTON CITY ATTORNEY
239 FOURTH STREET
BREMERTON WA 98310
(206) 478-5345

2. A decree ordering that any sums paid by insurance carriers or contractors working on the marina project to Port Washington Properties, Inc., in connection with the beach erosion at the marina be first applied to compensate the City for its present and/or future injury and to investigate and correct the beach stability problem.

3. For such other and further relief as the Court may deem equitable and just.

DATED this 23rd day of June, 1986.

William H. Broughton
WILLIAM H. BROUGHTON
Attorney for Plaintiff

COMPLAINT - 7

WILLIAM BROUGHTON
BREMERTON CITY ATTORNEY
239 FOURTH STREET
BREMERTON WA 98310
1206/478-5345

8505300118

(b) (6)

SEATTLE, WASH. 98109
(206) 283-0421

EXHIBIT B-1

MOORAGE SLIP* SUBLEASE

PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION

KITSAP COUNTY
TRANSACTION EXCISE TAX

PAID MAY 3 01385

AMOUNT

BY: *[Signature]*

In consideration of the sum of Ten and 00/100 Dollars (\$10.00), and other good & valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION ("Association")**, a Washington non-profit corporation as Grantor, hereby conveys, assigns, transfers, and sets over **(b) (6)** a single person the Grantee, all

following described leasehold interest in Kitsap County, Washington:

A leasehold estate (sublease) in Moorage Slip No. 14 of the Port Washington Marina Condominium (a leasehold condominium), said Moorage Slip* constituting a "Apartment" as that term is defined in the Washington Horizontal Property Regime Act (RCW Chapter 64.32); and intended for boat moorage uses* only (Post Office address being: 1085 Thompson Drive, Bremerton, Washington, according to Survey Map and Plans, delineating said Apartment, recorded in Volume 3 of Condominiums, pages 127 through 130, inclusive, under Kitsap County Auditor's File No. 8312290199, AND according to condominium Declaration recorded under Kitsap County Auditor's File No. 8312290200, TOGETHER with percentage of undivided interest in the Common Areas and Facilities as the use of Limited Common Areas appertaining to the Apartment; all as expressly provided for in the Declaration, and in properly recorded amendments thereto, if any.

A. SUBJECT TO THE FOLLOWING:

1. Declaration and Bylaws. The terms, provisions, definitions, covenants, options, obligations and restrictions contained in said Condominium Declaration or amendments to restatements thereof or as may be contained in any Association Bylaws adopted pursuant to said Declaration or any amendments or restatements thereof;

2. Assessments. The liability for assessments due or to become due Association for all Common Expenses of the Property as provided in said Condominium Declaration or any amendments or restatements thereof and the agreement of the Association to pay, for applicable payments received, Grantee's pro rata share of the maintenance assessment and other costs required to maintain the project and DNR leases;

3. Horizontal Property Regime Act. The terms, provisions and limitations contained in the Horizontal Property Regime Act, Chapter 156, Laws of 1963, as now or hereafter amended (commonly known and referred to as RCW ch. 64.32 et seq.);

4. Easements. All easements, reservations, restrictions, covenants, conditions and agreements of record;

5. DNR Leases. Those certain Harbor Area Leases Nos. 2332, 2396 and 2399 issued by the Department of Natural Resources ("DNR") and recorded under Kitsap County Auditor's File Nos. 8306200099, 8306200098 and 8306200110 ("DNR Leases");

6. Consent to Assignment. That certain Consent to Assignment and Approval of General Sublease Forms signed by the Department of Natural Resources, Port Washington Properties, Inc. and Port Washington Marina Condominium Owners Association (recorded December 29, 1983, under Kitsap County Auditor's File No. 8312290193), which establishes among other things that Grantee's relationship with DNR is that of a sublease of the Association. Grantor warrants that it is the owner and holder of all leasehold interest herein conveyed subject to the foregoing exceptions.

7. Additional Parcel Declarations. Those certain Parcel A, Parcel B and Parcel C Declarations all dated November 1, 1983, and recorded under Kitsap County Auditor's File Nos. 8312290195, 8312290196 and 8312290197.

B. GRANTEE'S AGREEMENTS

By acceptance of this Sublease, Grantee acknowledges and agrees as follows:

1. Receipt of Copies. That he or she has received copies of (and consents to agree to and approves) said Declaration, Survey Map and Plans, Association Bylaws, Consent to Assignment, and all applicable DNR Leases, as well as any amendments or restatements of the foregoing;

2. Apartment Condition. That said Apartment and Common and Limited Common Areas are accepted in their present condition;

3. Performance of Obligations. To perform all obligations of an Apartment Owner pursuant to said Declaration, Association Bylaws, Consent to Assignment, said DNR Leases, or any amendments or restatements of any of the foregoing now in existence and/or hereafter executed.

C. ASSIGNMENT OF HARBOR AREA LEASES

This Sublease is subject to the terms of the Assignment of Harbor Area Leases of Port Washington Marina Condominium Owners Association recorded under Kitsap County Auditor's File No. 8312290194, which establishes the Association as a Master

DNR-0001

bound by all of the terms of said Assignment to the Association and without the generality of such an agreement to be bound by all of said terms. Grantee specifically agrees as follows:

1. Master Lease. The Association shall be the Master Lessee with regard to the DNR Lease, and the Association, as Master Lessee, shall be the sole and only party which has any right to deal with the DNR as to any matters arising out of the DNR Lease.

2. Performance of DNR Lease. The Association shall be responsible for performance of all of the Lessee's obligations which arise under the DNR Lease, including but not limited to fulfilling all of the terms and conditions of the Lease, regardless of any Apartment Subleases made by the Association. Such obligations for assuring performance of Lessee obligations shall include the duty to assure that Grantee complies with the DNR Lease obligations and agrees the Association has the power to compel Grantee to comply with the DNR Lease terms. DNR shall be permitted to enforce all the provisions of the Lease directly against the Association without any obligation to proceed in any manner against Grantee, even if failure to perform Lease obligations is the result of Grantee's actions or omissions.

3. Individual Claims. Grantee agrees that he or she shall be required to assert individual claims, if any, that he may have against the DNR arising from the DNR Lease through the Association as Master Lessee, all individual claims, if any, which Grantee may now have or may hereafter assert against the DNR arising from the DNR Lease.

4. DNR Lease Payment. Grantee agrees that all payments to be made pursuant to the DNR Lease shall be collected by and paid by the Association as the Master Lessee to DNR in a lump sum and Grantee agrees to pay this pro rata share of such payments by way of assessment to the Association.

DATED this 1st day of January, 1985, 1985

FILED FOR RECORD

REC. OF (b) (6)

1985 MAY 30 AM 9:42

SHERIFF HOFF
KITSAP COUNTY AUDITOR

DEPUTY

STATE OF WASHINGTON

COUNTY OF KING

PORT WASHINGTON MARINA CONDOMINIUM OWNERS'
ASSOCIATION, a Washington Non-profit Corporation

By Mark L. Clevon
its President

On this day personally appeared before me Mark L. Clevon and , to me known to be the President and of PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION, the corporation described in the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this 1st day of January, 1985.

Mark K. O'Brien
Notary Public in and for the
State of Washington, residing
at Seattle

ACCEPTED AND APPROVED this 1st day of January, 1985.

(b) (6)

8505300118

[NOTE: If this form is used for conveying a leasehold estate (sublease) in a Building Apartment, then the words "Building Apartment(s)" should be inserted in lieu of "Moorage Slip(s)" and the words "the uses specified in Section 11.1.2 of the Declaration" should be inserted in lieu of "boat moorage uses" in the legal description on page 1 hereof.]

(EX/B-1/MSSL;#14;11/1/83)

REC-111120R

DNR-00018464

FILED

DEC 27 1985

ROBERT L. FREW

RECEIVED

JAN 02 1986

ATTORNEY GENERAL'S DIVISION
DEPT. OF NATURAL RESOURCES

SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KITSAP

PORT WASHINGTON PROPERTIES, INC.,)
a Washington corporation,)

Plaintiff,)

v.)

FIREMAN'S FUND INSURANCE COMPANY,)
a California corporation; SAFETY)
MUTUAL CASUALTY CORPORATION, a)
Missouri corporation; CONSOLI-)
DATED AMERICAN INSURANCE)
COMPANY, a South Carolina)
corporation; ALBANY INSURANCE)
COMPANY, a New York corporation;)
SETON, JOHNSON & ODELL, INC.,)
an Oregon professional)
corporation; and WARD MULLER,)
a Washington resident,)

Defendants.)

NO. 85 2 01592 6

COMPLAINT FOR DECLARATORY
JUDGMENT AND/OR
FOR MONEY DAMAGES

COMES NOW the plaintiff in the above-entitled case and for
causes of action against the above defendants, alleges as
follows:

A. PARTIES

1. Plaintiff, Port Washington Properties, Inc., a
Washington corporation, is and was the owner of a leasehold
estate and developer of the marina facility constructed thereon
in the City of Bremerton called "Port Washington Marina,"

COMPLAINT FOR DECLARATORY
JUDGMENT AND/OR MONEY DAMAGES

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC P S
ATTORNEYS AT LAW

1 hereinafter "marina." Such plaintiff was named as an insured
2 under one or more of the policies described herein.

3 2. Fireman's Fund Insurance Company, a California
4 corporation, hereinafter "Fireman's Fund," issued a policy of
5 insurance to plaintiff herein providing third-party liability
6 coverage and having limits of \$500,000.

7 3. Safety Mutual Casualty Corporation, a Missouri
8 corporation, hereinafter "Safety Mutual," issued a policy of
9 insurance to plaintiff herein providing excess or umbrella
10 liability coverage of \$1,000,000 over the limits of the
11 coverage of defendant Fireman's Fund.

12 4. Consolidated American Insurance Company, a South
13 Carolina corporation, hereinafter "Consolidated American,"
14 issued a policy of insurance for benefit of plaintiff herein
15 providing third-party liability coverage and having limits of
16 \$500,000.

17 5. Albany Insurance Company, a New York corporation,
18 hereinafter "Albany," issued a policy of insurance to one or
19 more of the plaintiff herein providing first-party coverage for
20 physical damage to plaintiff's marina facilities, including
21 beach area and other approaches, and having limits of \$800,000.

22 6. Seton, Johnson & Odell, Inc., an Oregon professional
23 corporation, hereinafter "SJO," provided engineering services
24 to plaintiff with respect to development, design and
25 construction of the marina.

1 7. Ward Muller, a Washington resident, hereinafter
2 "Muller," provided professional services to plaintiff with
3 regard to land surveying required for construction of the
4 marina.

5 B. COMMON BACKGROUND FACTS

6 1. Plaintiff is the owner and developer of a marina
7 facility called "Port Washington Marina," hereinafter "marina,"
8 which consists of various structures and a floating dock system
9 having 80 slips and is located in the City of Bremerton, lying
10 adjacent to Port Washington Narrows near Anderson Cove.

11 2. Plaintiff holds a long-term lease from the State of
12 Washington (Department of Natural Resources) with regard to
13 occupancy of the tideland properties upon which or adjacent to
14 which the marina was constructed.

15 3. City of Bremerton, the owner of certain waste water
16 facilities, operated a high-pressure sewer pipeline across the
17 tidelands adjacent to the marina and caused an eight-inch PVC
18 pipeline to be installed therein. In connection with such
19 construction, Bremerton obtained from the State of Washington a
20 grant of easement under a certain agreement (No. 45730) dated
21 November 1, 1983. By reason of such grant, Bremerton possessed
22 the rights of quiet enjoyment with respect to use of its
23 high-pressure sewer line.

24 4. During the first quarter of 1984, while there were
25 exceptionally low tides, there was observed substantial
26 sloughage of beach materials along the dredged slopes of the
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1 marina. Sinkage along the beach was noticed exposing or
2 threatening to expose the high-pressure sewer line of the City
3 of Bremerton then in operation.

4 5. The aforesaid sloughage also caused the floating dock
5 system of the marina to become hung up at various and different
6 places, threatening the integrity of such flotation system.
7 Such system was designed to rise and fall with the tide and was
8 kept in place by permanent pilings.

9 6. Because of the apparent rate of beach erosion, City of
10 Bremerton feared that the beach instability was threatening its
11 high-pressure sewer line. Concern was also voiced by Bremerton
12 that an unstable beach condition posed a potential hazard to
13 the upland hillside above the beach whereon was located a
14 75-unit apartment complex named "Colonial Manner Apartments."
15 Long-term beach erosion has an alleged propensity to cause land
16 slides along the upland slope.

17 7. City of Bremerton commenced an investigation of the
18 beach condition adjacent to the marina after the first quarter
19 of 1984 and continued to monitor such condition thereafter.
20 Numerous tests and examinations were made of the beach and
21 upland slope by its consultants, CH2M Hill and William Shannon,
22 a geotechnical engineer. Such tests included inclinometer
23 studies of the hillside, sample soil borings along the beach
24 and monitoring of beach elevations.

25 8. By reason of the aforesaid investigation, City of
26 Bremerton, through its Engineering Department, determined that
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1 a substantial hazard existed to its high-pressure pipeline by
2 reason of predictable long-term beach erosion that, without
3 intervention or modification, would destabilize the pipeline
4 and cause raw sewage to be emptied into Port Washington
5 Narrows. Bremerton has also claimed present interference with
6 its easement rights.

7 9. Plaintiff is informed and believes and based thereon
8 alleges that the unstable condition of the beach described
9 herein resulted from the dredging operations to construct the
10 marina and has been exacerbated by erosion caused by tidal
11 action. Such factors operating together have set in motion the
12 chain of events causing the injury alleged herein.

13 10. Demand was made upon plaintiff to undertake all
14 measures necessary to correct the instability of the beach.
15 Measures discussed included installation of a retaining wall or
16 sheet piling along the toe of the beach. Throughout 1984,
17 while undertaking some temporary protective measures along the
18 beach front, plaintiff attempted to explore with Bremerton the
19 nature of corrective measures which would be acceptable for
20 control of beach erosion.

21 11. Plaintiff lacks the resources to undertake the extent
22 of corrective measures required by City of Bremerton. The cost
23 of installation of a retaining wall has been estimated to range
24 between \$250,000 and \$300,000. Design of and plans for such
25 protection were deemed by Bremerton to be experimental and
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1 without guarantee of long-term success. Estimates were not
2 sought on incidental costs and future maintenance.

3 12. On numerous occasions, City of Bremerton threatened
4 adverse action against plaintiff to revoke the operating permit
5 for the marina. On information and belief, plaintiff alleges
6 that Bremerton has not instituted formal adverse action against
7 the owners and developers of the marina to correct the alleged
8 hazard to its pipeline and the upland hillside because of
9 Bremerton's awareness of plaintiff's insurance coverage and its
10 expectation that the carriers providing plaintiff's coverage
11 would investigate the extent of damage and cure all current and
12 future injury.

13 13. As a direct and proximate result of the acts or
14 omissions of defendants herein, the value of plaintiff's marina
15 facilities and approaches thereto have become substantially
16 depreciated. Plaintiff shall be obliged to expend substantial
17 sums to assure the integrity of its floating dock system and
18 avert the risk of catastrophic injury to property of third
19 parties. Plaintiff estimates that the costs of investigating
20 and correcting the unstable beach condition resulting from
21 accelerated erosion shall exceed \$500,000. Plaintiff has also
22 lost substantial business opportunity in developing property
23 adjacent to the marina. Leave of Court shall be sought to
24 amend this Complaint to state the precise amount of damages
25 when the same become ascertainable or upon proof of same at the
26 time of trial.

1 C. ALLEGATIONS AS TO DEFENDANT FIREMAN'S FUND

2 FIRST CAUSE OF ACTION
3 Declaratory Judgment

4 1. Plaintiff was issued "General Liability Multi-Cover
5 Plus" coverage under Policy No. 2-86 LA 325 68 85, having an
6 effective date commencing October 14, 1985 and ending
7 October 14, 1987. Such insurance policy of defendant Fireman's
8 Fund provided coverage for third-party loss resulting from acts
9 or omissions of plaintiff.

10 2. On or after May 1, 1985, plaintiff gave notice to
11 defendant Fireman's Fund of a claim arising from construction
12 of the marina facility within the City of Bremerton in that
13 dredging operations employed in construction of the marina
14 undermined the stability of the beach property across which
15 there had been installed a high-pressure sewer pipeline of the
16 City of Bremerton.

17 3. Plaintiff informed Fireman's Fund that City of
18 Bremerton had ordered plaintiff to take all necessary measures
19 to correct the beach instability which allegedly interfered
20 with the property rights of Bremerton and threatened to disrupt
21 operation of and service through the eight-inch PVC piping of
22 the high-pressure sewer line which was part of Bremerton's
23 waste water system. Bremerton had determined through its City
24 Engineering Department that the beach conditions presented a
25 clear and present danger to the operation of the pipeline.

1 4. City of Bremerton has specifically claimed that the
2 unstable beach condition at the marina is presently interfering
3 with easement rights of Bremerton under a grant of easement
4 from the State of Washington (Department of Natural Resources)
5 (Agreement No. 45730) dated November 1, 1983.

6 5. City of Bremerton has alleged that commencing in the
7 first quarter of 1984, sometime after plaintiff's marina was
8 open to the public, a geotechnical investigation was undertaken
9 by Bremerton to determine the extent of and seriousness of
10 beach movement adjacent to the marina. Based upon such
11 investigation, Bremerton determined that serious beach erosion
12 had been caused by the dredging operations used to construct
13 the marina. Such erosion was deemed progressive and had been
14 accelerated by dredging operations on plaintiff's behalf and
15 was jeopardizing the stability of the high-pressure pipeline.
16 Demand was made upon plaintiff to take corrective action.

17 6. Plaintiff is without adequate resources to undertake
18 an investigation of its own to contest the determination of the
19 City of Bremerton with regard to the present hazard posed to
20 its pipeline by an unstable beach condition. Plaintiff has
21 demanded that defendant carrier fully investigate the extent of
22 its alleged liability.

23 7. Defendant Fireman's Fund has refused to acknowledge
24 the existence of any claim for benefits under its policy
25 because of the alleged liability of plaintiff to City of
26 Bremerton or other adjacent land owners. Defendant carrier
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1 does not recognize that any damages have occurred under the
2 terms of the policy for which plaintiff has become legally
3 obligated to pay.

4 8. A dispute has arisen between plaintiff and defendant
5 Fireman's Fund with respect to the obligation of the carrier to
6 investigate and indemnify plaintiff from the claims of the City
7 of Bremerton of interference with its property rights and
8 placement of its sewer line in hazard. Plaintiff contends that
9 the defendant carrier is obliged to investigate the extent of
10 current or future damage to Bremerton's property rights and pay
11 as policy benefits the amount necessary to correct such
12 injury. The defendant carrier denies such obligations.

13 9. Plaintiff has no adequate remedy at law and no
14 appropriate means other than this action for declaratory
15 judgment to determine its rights under the aforesaid policy of
16 insurance issued them as insureds.

17 D. ALLEGATIONS AS TO DEFENDANT SECURITY MUTUAL

18 FIRST CAUSE OF ACTION
19 Declaratory Judgment

20 1. Plaintiff was issued commercial umbrella coverage under
21 Policy No. R 11687 WA, having an effective date commencing
22 October 14, 1984, and ending October 14, 1985. Such insurance
23 policy of defendant Security Mutual provided excess liability
24 coverage for third-party loss resulting from acts or omissions
25 of plaintiff.
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1 2. On or about May 1, 1985, plaintiff requested the agent,
2 Corroon & Black, to give notice to the various carriers
3 supplying insurance for the marina of plaintiff's claim. On
4 information and belief, plaintiff alleges that such notice to
5 defendant carrier may have been delayed through inadvertence of
6 the aforesaid agent. Such notice was later given to defendant,
7 and no communication confirming receipt of such claim has been
8 received by plaintiff.

9 3. On or after May 1, 1985, plaintiff gave notice to
10 defendant Security Mutual of a claim arising from construction
11 of the marina facility within the City of Bremerton in that
12 dredging operations employed in construction of the marina
13 undermined the stability of the beach property across which
14 there had been installed a high-pressure sewer pipeline of the
15 City of Bremerton.

16 4. Plaintiff informed Security Mutual that City of
17 Bremerton was directing plaintiff to take all necessary
18 measures to correct the beach instability which allegedly
19 interfered with the property rights of Bremerton and threatened
20 to disrupt operation of and service through the eight-inch PVC
21 piping of the high-pressure sewer line which was part of
22 Bremerton's waste water system. Bremerton had determined
23 through its City Engineering Department that the beach
24 conditions presented a clear and present danger to the
25 operation of the pipeline.

1 5. City of Bremerton has specifically claimed that the
2 unstable beach condition at the marina was presently
3 interfering with easement rights of Bremerton under a grant of
4 easement from the State of Washington (Department of Natural
5 Resources) (Agreement No. 45730) dated November 1, 1983.

6 6. City of Bremerton has alleged that commencing in the
7 first quarter of 1984, sometime after plaintiff's marina was
8 open to the public, a geotechnical investigation was undertaken
9 by Bremerton to determine the extent of and seriousness of
10 beach movement adjacent to the marina. Based upon such
11 investigation, Bremerton determined that beach erosion had been
12 caused by the dredging operations used to construct the
13 marina. Such erosion was deemed progressive and had been
14 accelerated by dredging operations on plaintiff's behalf and
15 was jeopardizing the stability of the high-pressure pipeline.
16 Demand was made upon plaintiff to take corrective action.

17 7. Plaintiff is without adequate resources to undertake
18 an investigation of its own to contest the determination of the
19 City of Bremerton with regard to the present hazard posed to
20 its pipeline by an unstable beach condition. Plaintiff has
21 demanded that defendant carrier fully investigate the extent of
22 its alleged liability.

23 8. Defendant Security Mutual has refused to acknowledge
24 the existence of any claim for benefits under its policy
25 because of the alleged liability of plaintiff to City of
26 Bremerton or other adjacent land owners. Defendant carrier has
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1 completely failed to communicate with plaintiff relating to the
2 claim filed by plaintiff.

3 9. A dispute has arisen between plaintiff and defendant
4 Security Mutual with respect to the obligation of the carrier
5 to indemnify plaintiff from the claims of the City of Bremerton
6 of interference with its property rights and placement of its
7 sewer line in hazard. Plaintiff contends that the defendant
8 carrier is obliged to pay as policy benefits the amount
9 necessary to correct current or future injury to Bremerton's
10 property rights to the extent that such damages exceed the
11 limits of the primary liability coverage of defendant Fireman's
12 Fund or are not covered by such underlying insurance and are
13 not otherwise excluded by Security Mutual's policy.

14 10. Plaintiff has no adequate remedy at law and no other
15 appropriate means other than this action for declaratory
16 judgment to determine its rights under the aforesaid policy of
17 insurance as an insured.

18 E. ALLEGATIONS AS TO DEFENDANT CONSOLIDATED AMERICAN

19 FIRST CAUSE OF ACTION
20 Declaratory Judgment

21 1. Plaintiff was issued general liability coverage under
22 Policy No. CAP 17 99 66, having an effective date commencing
23 August 10, 1983, and ending August 10, 1985. Such insurance
24 policy of defendant Consolidated American provided coverage for
25 third-party loss resulting from acts or omissions of
26 plaintiff. On information and belief, plaintiff alleges that
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1 such coverage was terminated or cancelled effective January 15,
2 1984.

3 2. At or about the time of construction of the marina,
4 Port Washington Properties, Inc., for the purpose of
5 constructing the marina, was doing business as Port Washington
6 Construction, named as insured under the policy issued by
7 Consolidated American. Mark Cleven, a shareholder and
8 president of Port Washington Properties, Inc., plaintiff
9 herein, had previously done business from time to time under
10 the name of Port Washington Construction before construction of
11 the marina. Mr. Cleven, an individual, was also named as
12 insured under the aforesaid Consolidated American policy.

13 3. On or after May 1, 1985, plaintiff gave notice to
14 defendant Consolidated American of a claim arising from
15 construction of the marina facility within the City of
16 Bremerton in that dredging operations employed in construction
17 of the marina undermined the stability of the beach property
18 across which there had been installed a high-pressure pipeline
19 of the City of Bremerton.

20 4. Plaintiff informed Consolidated American that City of
21 Bremerton had ordered plaintiff to take all necessary measures
22 to correct the beach instability which allegedly interfered
23 with the property rights of Bremerton and threatened to disrupt
24 operation of and service through the eight-inch PVC piping of
25 the high-pressure sewer line which was part of Bremerton's
26 waste water system. Bremerton had determined through its City
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1 Engineering Department that the beach conditions presented a
2 clear and present danger to the operation of the pipeline.

3 5. City of Bremerton has specifically claimed that the
4 unstable beach condition at the marina was presently
5 interfering with easement rights of Bremerton under a grant of
6 easement from the State of Washington (Department of Natural
7 Resources) (Agreement No. 45730) dated November 1, 1983.

8 6. City of Bremerton has alleged that commencing in the
9 first quarter of 1984, months after plaintiff's marina was open
10 to the public, a geotechnical investigation was undertaken by
11 Bremerton to determine the extent of and seriousness of beach
12 movement adjacent to the marina. Based upon such
13 investigation, Bremerton determined that beach erosion was
14 progressive and had been accelerated by dredging operations on
15 plaintiff's behalf and that such erosion was jeopardizing the
16 stability of the high-pressure pipeline. Demand was made upon
17 plaintiff to take corrective action.

18 7. Plaintiff is without adequate resources to undertake
19 an investigation of its own to contest the determination of the
20 City of Bremerton with regard to the present hazard posed to
21 its pipeline by an unstable beach condition. Plaintiff has
22 demanded that defendant carrier fully investigate the extent of
23 its potential risk.

24 8. Defendant Consolidated American has refused to
25 acknowledge the existence of any claim for benefits under its
26 policy because of the liability of plaintiff to City of
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1 Bremerton or other adjacent land owners. Defendant carrier has
2 allowed more than seven (7) months to elapse without
3 determining to accept or deny coverage.

4 9. A dispute has arisen between plaintiff and defendant
5 Consolidated American with respect to the obligation of the
6 carrier to investigate and indemnify plaintiff from the claims
7 of the City of Bremerton of interference with its property
8 rights and placement of its sewer line in hazard. Plaintiff
9 contends that the defendant carrier is obliged to investigate
10 the extent of current or potential damage to Bremerton's
11 property rights and pay as damages the amount necessary to
12 correct current or future injury. The defendant carrier denies
13 such obligations.

14 10. Plaintiff has no adequate remedy at law and no
15 appropriate means other than this action for declaratory
16 judgment to determine its rights under the aforesaid policy of
17 insurance as an insured.

18 F. ALLEGATIONS AS TO DEFENDANT ALBANY

19 FIRST CAUSE OF ACTION
20 Declaratory Judgment

21 1. Plaintiff was issued first party coverage for physical
22 damage under Policy No. IM 013476 ("Docks & Piers Physical
23 Damage Form") having an effective date commencing October 14,
24 1984, and ending October 14, 1985. Such insurance policy
25 provided coverage for physical damage to plaintiff's marina
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1 facilities, including the beach area and other approaches to
2 the floating docks, piers, moorages and pertinent structures.

3 2. On or after May 1, 1985, plaintiff gave notice to
4 defendant Albany of a claim for property damage to the marina
5 facilities and approaches arising from erosion caused by tidal
6 action upon the beach bank and slopes adjacent to the floating
7 dock system.

8 3. During the first quarter of 1984, while there were
9 exceptionally low tides, there was observed substantial
10 sloughage of beach materials along the dredged slopes of the
11 marina. Such sloughage caused the floating dock system of the
12 marina to become high up at various and different places,
13 threatening the integrity of such flotation system. Such
14 system was designed to rise and fall with the tides and was
15 kept in place by permanent pilings.

16 4. Upon investigation of the beach condition, City of
17 Bremerton determined through its Engineering Department that
18 there was serious beach erosion and such erosion was
19 progressive.

20 5. Demand was made by City of Bremerton upon plaintiff to
21 undertake all measures necessary to correct the instability of
22 the beach. Measures discussed included installation of a
23 retaining wall or sheet piling along the toe of the beach.
24 Throughout 1984, while undertaking some temporary protective
25 measures along the beach front, plaintiff attempted to explore
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1 with Bremerton the nature of corrective measures that would be
2 acceptable for control of beach erosion.

3 6. Plaintiff lacks the resources to undertake the extent
4 of corrective measures necessary to control erosion. The cost
5 of installation of a retaining wall has been estimated to range
6 between \$250,000 and \$300,000. Design of and plans for such
7 protection were deemed by Bremerton to be experimental and
8 without guarantee of long-term success. Estimates were not
9 sought on incidental costs and future maintenance.

10 7. Defendant Albany has refused to acknowledge the
11 existence of any claim for benefits under its policy with
12 respect to physical damage of the marina facilities and
13 approaches thereto, including the beach area.

14 8. A dispute has arisen between plaintiff and defendant
15 Albany with respect to the obligation of the carrier to
16 investigate the extent of physical damage and indemnify
17 plaintiff for the cost of repairing and restoring the marina
18 facilities and approaches thereto, including the beach area.
19 Defendant carrier denies such obligations.

20 9. Plaintiff has no adequate remedy at law and no other
21 appropriate means than this action for declaratory judgment to
22 determine its rights under the aforesaid policy of insurance as
23 an insured.

1 G. ALLEGATIONS AS TO DEFENDANT SJO

2 FIRST CAUSE OF ACTION
3 Breach of Contract

4 1. Plaintiff retained defendant engineer SJO to
5 participate in the design and construction of the marina. Such
6 employment was reflected in various letter agreements dated
7 January 31, 1982, August 16, 1982, and August 25, 1982,
8 hereinafter collectively the "contract."

9 2. Pursuant to such contract, defendant engineer SJO
10 reviewed preliminary design plans for the marina and determined
11 that such plans might be modified to increase the number of
12 slips to 80. Such redesign of the marina and flotation system
13 caused such improvements to encroach closer to the shoreline.
14 Defendant engineer prepared a site plan, dredging plan and
15 float and pile and ramp sketch for the marina development.

16 3. By reason of the aforesaid contract, defendant
17 engineer SJO were obliged to undertake certain surveys of the
18 prospective site and evaluate the need for bank protection,
19 break-water and other features. Such measures related to the
20 need for shoreline protection arising from dredging operations.

21 4. During the construction phase of the marina
22 development, defendant engineer exercised certain supervision
23 over the work, visited the site during construction on a
24 regular basis, issued directives to the contractors with regard
25 to the manner of the work, and determined compliance of the
26 dredging operations with the plans it authored.

1 5. Defendant breached its contractual obligations by
2 failing to properly consider the need for shoreline protection
3 and made no recommendation to plaintiff of measures suitable to
4 control beach erosion or the integrity of dredged slopes.

5 6. After completion of construction of the marina,
6 progressive deterioration of the beach area manifested itself
7 due to the weakened condition of the dredged slopes and erosion
8 caused by tidal action. Such unstable beach condition is
9 currently alleged to interfere with property rights of the City
10 of Bremerton and threatens catastrophic injury to the tidelands
11 and Port Washington Narrows if the high pressure sewer line of
12 City of Bremerton were disrupted.

13 7. By reason of the aforesaid breach of contract,
14 plaintiff has suffered substantial damages herein described.

15 SECOND CAUSE OF ACTION
16 Professional Negligence

17 1. Plaintiff realleges paragraphs 1 through 7, inclusive,
18 of the First Cause of Action herein, and, by reference thereto,
19 makes them part hereof as though fully set forth.

20 2. Plaintiff is informed and believes and based thereon
21 alleges that defendant is a registered engineer, duly licensed
22 under the Washington Professional Engineer's Registration Act
23 and has been issued a license thereunder.

24 3. In reliance upon the design work of defendant engineer
25 SJO for the marina, together with the site plan and dredging
26 plan for such project, as well as the topographic and
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1 hydrographic surveys undertaken by defendant, plaintiff
2 undertook to develop the marina facility, using the services of
3 a dredging contractor to perform such dredging operations.

4 4. Such dredging operations rendered the beach area
5 unstable inasmuch as the steep slopes required under
6 defendant's plans were prone to deterioration by virtue of
7 erosion caused by tidal action. Subsidence of the beach area
8 threatens to disrupt service of the high pressure sewer line of
9 City of Bremerton.

10 5. Defendant engineer SJO committed negligence by one or
11 more of the following acts or omissions:

12 (a) Defendant failed to design adequate and safe
13 plans and specifications for construction of the marina,
14 including incorporation therein of bank protection devices
15 or measures sufficient to arrest erosion from the dredging
16 operations;

17 (b) Defendant issued plans, specifications, designs
18 and/or reports in violation of RCW 18.43.070 in that such
19 documents were submitted without seal for review and
20 acceptance by City of Bremerton despite knowledge that such
21 plans were not complete and were not stamped with the seal
22 of a registered engineer;

23 (c) Defendant failed to investigate and/or provide
24 for adequate slope protection for long-term erosion control
25 of the dredged slopes along the beach frontage adjacent the
26 marina;

1 (d) Defendant failed to prepare or issue safe and
2 adequate plans and drawings relating to dredging of the
3 marina;

4 (e) Defendant failed to retain or consult with
5 skilled professionals knowledgeable of soils engineering
6 with regard to the stability of the beach prior to dredging
7 and the effect of dredging to slopes required by defendants;

8 (f) Defendant failed to communicate to plaintiff the
9 criticality of obtaining soils engineering evaluation of
10 the marina design and deprived the owners and developers of
11 the opportunity to enlist such expertise;

12 (g) Defendant failed to advise plaintiff of the
13 potential for catastrophic loss to the sewer line service
14 of the City of Bremerton and the potential risk of land
15 slide damage to the hillside slope if the aforesaid sewer
16 line failed;

17 (h) Defendant failed to reasonably supervise the
18 marina construction and discover and correct the hazard to
19 the beach area and pipeline therein of City of Bremerton
20 arising from the unsafe and inadequate design for
21 construction of the marina and dredging plan relating
22 thereto;

23 (i) Defendant failed to reasonably inspect the marina
24 construction and detect that the dredging operations
25 undertaken by the dredging contractor pursuant to
26 defendant's plans and drawings weakened the beach area,

1 caused destabilization of the shoreline slope and
2 threatened to expose and disrupt the sewer service of the
3 City of Bremerton;

4 (j) Defendant failed to warn plaintiff of the
5 dangerous propensity of their design for construction of
6 the marina and the lack of conformity of their dredging
7 plan to sound engineering practice.

8 6. By reason of such negligence, defendant engineer SJO
9 breached the standard of professional conduct generally
10 expected of a registered engineer.

11 7. As a direct and proximate result of the aforesaid
12 negligence, plaintiff has suffered substantial damages as
13 herein described.

14 THIRD CAUSE OF ACTION
15 Breach of Warranty

16 1. Plaintiff realleges paragraphs 1 through 7, inclusive,
17 of the First Cause of Action herein and paragraphs 1 through 7,
18 inclusive, of the Second Cause of Action herein and, by
19 reference thereto, makes them part hereof as though fully set
20 forth.

21 2. At all times mentioned herein, defendant engineer SJO
22 held itself out to the public, including plaintiff herein, as
23 skilled and qualified to perform engineering services relating
24 to marina development, design and construction.

25 3. At all times mentioned herein, defendant engineer SJO
26 warranted that its plans and drawings were correct and that
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1 their ordinary intended use for development and construction of
2 the marina would not cause plaintiff damage. Defendant
3 impliedly warranted the sufficiency and adequacy of such plans
4 and drawings to accomplish their intended purpose.

5 4. At all times mentioned herein, plaintiff relied upon
6 the aforesaid representations and warranties made by defendant
7 engineer SJO.

8 5. At all times mentioned herein, defendant breached the
9 aforesaid warranties in that, not by way of limitation, the
10 plans and drawings of defendant SJO were defective for their
11 ordinary and intended use and purpose, concealing the
12 propensity for causing an unreasonably dangerous beach
13 condition. The dredging operations performed pursuant to such
14 plans and drawings caused the beach condition to become
15 unstable and prone to deterioration by virtue of erosion from
16 tidal action. Such condition constitutes a clear and present
17 danger to the high pressure sewer line of the City of
18 Bremerton.

19 6. As a direct and proximate result of the foregoing,
20 plaintiff has suffered the substantial damages herein alleged.

21 H. ALLEGATIONS AS TO DEFENDANT WARD MULLER

22 FIRST CAUSE OF ACTION
23 Professional Negligence

24 1. Defendant Muller is a registered land surveyor having
25 been duly licensed under the Washington Professional Engineers'
26 Registration Act and has been issued a license thereunder.

1 with the result that it has sustained substantial damage as
2 described herein.

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4 SECOND CAUSE OF ACTION
5 Breach of Warranty

6 1. Plaintiff realleges paragraphs 1 through 7, inclusive,
7 of the First Cause of Action herein, and, by reference thereto,
8 makes them part hereof as though fully set forth.

9 2. At all times mentioned herein, defendant Muller held
10 himself out to the public, including plaintiff herein, as
11 skilled and qualified to perform surveying services with regard
12 to marina development and construction.

13 3. At all times mentioned herein, defendant Muller
14 warranted that its survey plans, maps and drawings were correct
15 and that their ordinary and intended use for the dredging
16 operations would not cause plaintiff damage. Defendant
17 impliedly warranted the sufficiency and adequacy of such survey
18 plans, maps and drawings for their intended purpose.

19 4. At all times mentioned herein, plaintiff relied upon
20 the aforesaid representations made by defendant Muller.

21 5. At all times mentioned herein, the survey plans, maps
22 and drawings of defendant Muller were defective in that their
23 ordinary and intended use for dredging operations would cause
24 the dredging line to be inaccurately and incorrectly set. Such
25 incorrect and inaccurate representation brought the limits of
26 the dredging operation closer to the shoreline than
27 anticipated, caused the dredging to go deeper than planned, and

1 2. Defendant Muller established a dredging line and
2 completed a map or survey for the dredging operations to be
3 accomplished at the marina to create moorage for 80 slips.

4 3. In reliance upon said dredging line and his survey for
5 dredging purposes, plaintiff undertook to develop the marina
6 facility, using the services of a dredging contractor to
7 perform such dredging operations.

8 4. The dredging line established by defendant Muller and
9 the map or survey relating thereto was inaccurate and incorrect
10 in that the base lines as set by defendant Muller did not
11 correctly represent the relationship of a proper dredging line
12 to the outer harbor and inner harbor lines. The dredge line
13 which was erroneously established encroached approximately 14
14 feet closer toward the shore.

15 5. By reason of the aforesaid incorrect and inaccurate
16 survey, the limits of the dredging operation came closer to the
17 shoreline than anticipated, caused a larger quantity of beach
18 materials to be removed and resulted in steeper slopes than
19 originally contemplated. All such factors tended to undermine
20 the stability of the beach and accelerate long-term erosion.

21 6. By reason of his negligence, defendant Muller breached
22 the standard of professional conduct generally expected of
23 those practicing land surveying.

24 7. As a direct and proximate result of the aforesaid
25 negligence, plaintiff has been severely damaged by the
26 inaccurate and incorrect surveying rendered by defendant Muller
27
28

1 created a steeper slope than originally contemplated. All such
2 factors tended to undermine the stability of the beach and
3 accelerate long-term erosion.

4 6. As a direct and proximate result of the foregoing,
5 plaintiff suffered the substantial damages herein alleged.

6 I. PRAYER FOR RELIEF

7 WHEREFORE, plaintiff prays for judgment against the
8 defendants as follows:

9 1. As to defendant carriers, a decree determining their
10 obligations under the policies issued by each to investigate
11 the extent of damage to the marina facilities and third-party
12 property and indemnify plaintiff for the costs of correcting
13 such present and/or future damage;

14 2. Compensatory damages in an amount to be specifically
15 proven at the time of trial, but for purposes of this
16 Complaint, are alleged to be in excess of \$500,000; plus

17 3. Prejudgment interest; plus

18 4. Plaintiff's taxable costs and disbursements herein;
19 plus

20 5. Reasonable attorney fees; plus
21
22
23
24
25
26
27
28

6. For such further and other relief as the Court may deem just and equitable.

DATED this 28th day of December, 1985.

FOULDS, FELKER, PIERSON, RYDER &
McHUGH, INC., P.S.

By Thomas S. Felker
Thomas S. Felker

By John A. McHugh
Attorneys for plaintiff

5777E

RIDER

To be attached to and form a part of Bond No. 505-5387 dated the
13th day of June, 19 83 issued by _____
Hartford Accident and Indemnity Company to _____
PORT WASHINGTON PROPERTIES, INC. Principal
in favor of State of Washington Obligee.

It is understood and agreed, that the name of the principal is changed

FROM: PORT WASHINGTON PROPERTIES, INC.

TO: PORT WASHINGTON MARINA OWNERS ASSOCIATION

The attached Bond shall be subject to all its agreements, limitations
and conditions except as modified herein.

This rider shall become effective the 13th day of June, 19 85.

SIGNED, SEALED AND DATED this 13th day of May, 19 85.

PORT WASHINGTON
MARINA OWNERS ASSOCIATION
Principal

By: _____

Hartford Accident and Indemnity Company
Surety

By:
Robert M. Carlton, Attorney-in-fact

COPY

INCREASE
RIDER

To be attached to and form a part of Bond No. 505-5387
dated 13th day of June, 19 85 issued by _____
Hartford Accident and Indemnity Company to _____
PORT WASHINGTON PROPERTIES, INC. as Principal, in favor of _____
State of Washington

It is hereby understood and agreed,

1. That from and after the 12th day of June, 19 85
the amount of the bond shall be changed from One Thousand and
No/100ths----- (\$ 1,000.00) DOLLARS,
to read Four Thousand and No/100ths-----
(\$ 4,000.00) DOLLARS,

and that the bond shall be subject to all its agreements, limitations and
conditions except as modified herein.

SIGNED, SEALED AND DATED this 13th day of May, 19 85.

PORT WASHINGTON PROPERTIES, INC.

Principal

By: _____

Hartford Accident and Indemnity Company
Surety

By: 

Robert M. Carlton, Attorney-in-fact

COPY

HA 2332

DNR-00018493

FEB 7 1987

COPY

LIS PENDENS

8502070150

TO ALL WHOM THIS MAY CONCERN, NOTICE IS HEREBY GIVEN:

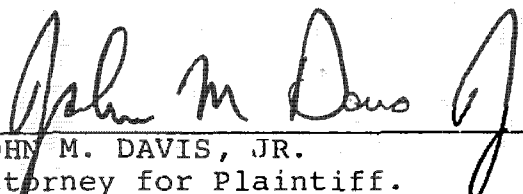
1. That an action affecting the title to certain real property hereinafter more particularly described has been commenced and is now pending in the Superior Court of the State of Washington for Kitsap County.

2. The name of the plaintiff in the said action is (b) (6), and the names of the defendants are Port Washington Properties, Inc., a Washington corporation; (b) (6), and the marital community composed thereof.

3. The object of this action is to foreclosure that certain claim of lien recorded under Kitsap County Auditor's File No. 8406110164. The cause number is 85 2 00150 0

4. The real property is more particularly described on a sheet attached hereto and by this reference incorporated herein and made a part hereof.

ALL PERSONS in any manner dealing with said real estate subsequent to the filing hereof will take subject to the rights of the plaintiff as established herein.


JOHN M. DAVIS, JR.
Attorney for Plaintiff.

4255 SE St. Hwy 160, Suite 202
Port Orchard, WA 98366

Phone: 871-0926

EXHIBIT "A"

PARCEL A *See Sample*

The north 60 feet of lot 10 and all of lot 11, Supplemental Plat of Bay View Garden Tracts, according to plat recorded in volume 3 of Plats, page 19, in Kitsap County, Washington.

PARCEL B *lease*

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north 75°43'57.8" west 112 feet, thence north 63°38'00" west 148.126 feet, thence north 74°55'00" west, 193 feet, thence north 16°00'00" east across the harbor area 195 feet to a point on the outer harbor line, thence south 74°00'00" east along said outer harbor line 450 feet to a point which bears north 16°00'00" east from the point of beginning and then south 16°00'00" west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

PARCEL C *lease*

That portion of the harbor area lying in front of Lot 7, section 11, township 24 north, range 1 east, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence north 16° east 215 feet, more or less, to the outer harbor line, thence north 74° west along said outer harbor line 450 feet to the true point of beginning, thence south 16° west 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said lot 7, thence northerly along the west line of said lot 7, produced, to the outer harbor line, thence south 74° east along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2396

PARCEL D *lease*

That portion of the Harbor area lying in front of lot 6, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington, between the easterly line of waterway number 4 and the east line of lot 6 of said section 11, produced northerly across the harbor area to the outer harbor line. Also known as leasehold A-2399.

PARCEL E

Champion Lumber paid for

Portion of government lot 6, section 11, township 24 north, range 1 W.M., in Kitsap County, Washington, described as follows:

Beginning 30 feet north of the southeast corner of government lot section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; thence south 69°28'20" west 272.78 feet; thence north 0° west 16.20 feet; thence north 34°00' east 123.27 feet along the inner harbor line; thence north 48°20' east 125 feet; thence north 60°44' 126 feet to the east line of said lot 6; thence south 0°08'20" east feet to the point of beginning.

PARCEL F *lease*

All Harbor area lying in front of Tracts 1 and 11 and intervening Re Street, Supplemental Plat of Bay View Garden Tracts in government lot section 11, and government lot 1, section 14, township 24 north, range 1 east, W.M., in Kitsap County, Washington, lying between two lines produced at right angles across the harbor area to the outer harbor line passing through the meander corner of said sections 11 and 1, and the other through the point of intersection of the west line of said tract 11 with the inner harbor line, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also submitted as leasehold 25

1
2 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR KITSAP COUNTY

3 (b) (6),)

4 Plaintiff,)

NO.

85 2 00150 0

5 vs.)

COMPLAINT FOR FORECLOSURE
OF LIEN

6 PORT WASHINGTON PROPERTIES, INC.,)
a Washington corporation; (b) (6)

7 (b) (6), and the marital commun-)
8 ity composed thereof; and (b) (6)

9 (b) (6) and the marital community)
10 composed thereof,

11 Defendants.)

12
13 For cause of action, plaintiff alleges:

14 I.

15 Plaintiff is a resident of Kitsap County, Washington.

16 Defendant, Port Washington Properties, Inc., is a Washington corpora-
17 tion with a place of business and certain condominium marina proper-
18 ty in Bremerton, Kitsap County, Washington. The lien which is the
19 subject of foreclosure herein is upon real property situate in
20 Kitsap County, Washington. Defendants, (b) (6)

21 (b) (6), are believed to be residents of King County,
22 Washington, and defendants, (b) (6)

23 (b) (6), are residents of King County, Washington, and all acts
24 done by defendants (b) (6) and/or (b) (6) were done on behalf of

Complaint

JOHN M. DAVIS, JR.
ATTORNEY AT LAW
4255 S.E. ST. HWY. 160
PORT ORCHARD, WASHINGTON 98366
(206) 871-0926

DNR-00018496

6.3 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney fees.

6.4 Succession. Subject to the limitations as stated in paragraph 5.1 on transfer of the Lessee's interest, this lease shall be binding upon, and inure to the benefit of the parties, their respective successors and assigns.

6.5 Notices. Any notice required or permitted under this lease shall be given when actually delivered or when deposited in the United States mail addressed as follows: To the Lessor: Department of Natural Resources, Public Lands-Social Security Building, Olympia, Washington 98504. To the Lessee: At the address given by the Lessee in the signature block, or as shown on later official documents of record with this lease.

6.6 Liens.

(1) No person shall have the right to file or place any lien of any kind or character upon the land or improvements within the leasehold premises without the prior written consent of the Lessor.

(2) In the event liens or other charges are placed on the leasehold premises, including land or improvements, arising out of the Lessee's actions directly or indirectly, the Lessee shall immediately cause such liens or charges to be discharged. The Lessor may forthwith cancel this lease if Lessee fails to discharge such liens or charges after ten days' notice to do so by the Lessor. The Lessee shall pay and indemnify the Lessor for all costs, damages or charges of whatsoever nature, including attorneys' fees necessary to discharge such liens or charges, whether such costs, damages or charges are incurred prior or subsequent to any cancellation of this lease.

6.7 Litigation. In the event this lease, its terms, its use, its occupation or its in any way becomes a matter of litigation, the Lessor shall be notified of such litigation within fifteen days after such litigation is begun. Failure to notify the Lessor of such action shall be cause for cancellation or termination of this lease.

6.8 Lessor's Right to Cure Defaults.

(1) If the Lessee fails to perform any requirement or obligations under this lease, the Lessor shall have the option to correct the obligation of the lease after thirty days' written notice to the Lessee. All of the Lessor's expenditures to correct the default shall be reimbursed by the Lessee on demand, with interest at the rate of one percent per month accrued from the date of expenditure by the Lessor.

(2) In the event any violation or breach of the provisions of this lease is causing damage to the leasehold premises or the Lessor is utilizing the leasehold premises in a manner not permitted by the provisions of this lease, or in any case damages are occurring to the leasehold premises, the Lessor may immediately enter upon the leasehold premises and take such action as necessary to cease such damages or use. In the event the damages or use is occurring by reason of a violation or breach of the provisions of this lease, the Lessee shall be liable for all costs incurred by the Lessor by reasons of such violations. The Lessor, at its option may send notice to the Lessee of such violations and the Lessee shall immediately cease such use or violation and correct and remedy such violations.

6.9 Bond. Lessee shall furnish a bond in the amount of \$1,000.00 as a guarantee of the performance of all the conditions set up and prescribed in this lease in all and every part thereof.

REL280 235

83052^0099

WARD C. MULLER LAND SURVEYOR,

Claimant

vs

PORT WASHINGTON PROPERTIES, INC.,

a Washington corporation,

CLAIM OF LIEN

NOTICE IS HEREBY GIVEN that on/about the 28th day of October 1982 at Seton, Johnson & O'Dell, Inc., and from about June 30, 1983 at request the request of of Port Washington Properties, Inc., Ward C. Muller, Land Surveyor commenced to perform labor, or to furnish material, or to supply equipment, to be used upon Port Washington Marina Condominiums

located at Port Washington Narrows in Bremerton, Washington, and described as

Port Washington Marina Condominiums, the property description for which is registered under Auditor's File Number 8312290199, Volume III, pages 127 to 130, inclusive, records of Kitsap County, Washington. Property includes uplands and building known as Port Washington Marina Building, located in the City of Bremerton, Kitsap County, and the marina floats located above State of Washington Harbor Area Leases 2332, 2396 and A-2399, located in the Port Washington Narrows.

Property descriptions of individual parcels are attached as "Exhibit A". Lien is filed against Slip No. 14 of said marina only.

Surveying work furnished: For Seton, Johnson and O'Dell, Inc., locate sewer main from Seton, Johnson and O'Dell reference hubs, elevations, sketch of sewer pipe, sewer location work, profiles and maps for ramp, related work; for Port Washington Properties, Inc., set lines, locate pilings, as built plans, site plans and other descriptive work recorded under Kitsap County Auditor's File No. 8312290199.

of which property the owner, or reputed owner, is Port Washington Properties, Inc. the performance of which labor, or the furnishing of which materials, or the supplying of which equipment, ceased on the 12th day of March 1984; that said labor, material, or equipment was of the value/(\$ 20,000.00) Twenty Thousand and no/100----- Dollars, plus interest at twelve per cent (12%) per annum for which labor, material, or equipment, the undersigned claims a lien upon the property herein described for the sum of (\$ 20,000.00) Twenty Thousand and no/100----- Dollars, plus interest at twelve per cent (12%) per annum (And is assignee of said claim, or claims).

Ward C. Muller, Land Surveyor
217 Sidney Avenue Address

Port Orchard, Washington 98366

STATE OF WASHINGTON,

County of KITSAP

} ss.

WARD C. MULLER

being first duly sworn, says:

I am the claimant (or attorney of the claimant) above named; I have read the foregoing claim and know the contents thereof, and believe the same to be just.

Ward C. Muller

Subscribed and sworn to before me this 11th day of June, 1984.

John M. Davis

Notary Public in and for the State of Washington, residing at Port Orchard in said County.

STATE OF WASHINGTON,

County of _____

} ss.

(Corporate Acknowledgment)

On this _____ day of _____, 19____, before me personally appeared _____

to me known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Washington, residing at _____ in said County.

STATE OF WASHINGTON,

County of KITSAP

} ss.

(Individual Acknowledgment)

I, John M. Davis, Jr., Notary Public in and for the State of Washington, do hereby certify that on this 11th day of June, 1984, personally appeared before me WARD C. MULLER

to me known to be the individual _____ described in and who executed the within instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes herein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 11th day of June, 1984.

John M. Davis

Notary Public in and for the State of Washington, residing at Port Orchard in said County.

EXHIBIT "A"

PARCEL A - *See Sample*

The north 60 feet of lot 10 and all of lot 11, Supplemental Plat of Bay View Garden Tracts, according to plat recorded in volume 5 of Plate page 19, in Kitsap County, Washington.

PARCEL B - *lease*

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north $75^{\circ}43'57.8''$ west 112 feet, thence north $63^{\circ}38'00''$ west 148.126 feet, thence north $74^{\circ}55'00''$ west, 193 feet, thence north $16^{\circ}00'00''$ east across the harbor area 195 feet to a point on the outer harbor line, thence south $74^{\circ}00'00''$ east along said outer harbor line 450 feet to a point which bears north $16^{\circ}00'00''$ east from the point of beginning and then south $16^{\circ}00'00''$ west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

PARCEL C - *lease*

That portion of the harbor area lying in front of Lot 7, section 11, township 24 north, range 1 east, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence north 16° east 215 feet, more or less, to the outer harbor line, thence north 74° west along said outer harbor line 450 feet to the true point of beginning, thence south 16° west 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said lot 7, thence northerly along the west line of said lot 7, produced, to the outer harbor line, thence south 74° east along said outer harbor line, 263 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2396

PARCEL D - *lease*

That portion of the Harbor area lying in front of lot 6, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington, between the easterly line of waterway number 4 and the east line of lot 6 of said section 11, produced northerly across the harbor area to the outer harbor line. Also known as leasehold A-2399.

PARCEL E

Champion Lumber parcel E

Portion of government lot 6, section 11, township 24 north, range 1 W.M., in Kitsap County, Washington, described as follows:

Beginning 30 feet north of the southeast corner of government lot section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; thence south $89^{\circ}38'20''$ west 272.78 feet; thence north 0° west 16.20 feet; thence north $34^{\circ}00'$ east 123.27 feet along the inner harbor line; thence north $48^{\circ}20'$ east 125 feet; thence north $60^{\circ}44'$ 126 feet to the east line of said lot 6; thence south $0^{\circ}08'20''$ east feet to the point of beginning.

PARCEL F - *lease*

All Harbor area lying in front of Tracts 1 and 11 and intervening Re Street, Supplemental Plat of Bay View Garden Tracts in government lot section 11, and government lot 1, section 14, township 24 north, range 1 east, W.M., in Kitsap County, Washington, lying between two lines produced at right angles across the harbor area to the outer harbor line passing through the meander corner of said sections 11 and 1, and the other through the point of intersection of the west line of said tract 11 with the inner harbor line, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also submitted as leasehold 25

ASSIGNMENT &
APPROVAL OF SUB LEASE

Consent Forms
A 1/31/84

CONSENT TO ASSIGNMENT
AND
APPROVAL OF GENERAL SUBLEASE FORMS

RECITALS

A. The STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES (hereafter referred to as "Lessor") and PORT WASHINGTON PROPERTIES, INC., a Washington corporation (hereinafter referred to as "Lessee") have previously entered into Harbor Area Leases more particularly described in Exhibit A-1 attached hereto, (hereinafter collectively referred to as the "Lease").

B. The Lessee has proposed to assign the Lease to PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION (hereinafter referred to as "Assignee") by execution of an Assignment, a copy of which is attached hereto as Exhibit A, and seeks the consent of the Lessor to such assignment.

C. Assignee has proposed to establish a leasehold boat moorage condominium by recording a Condominium Declaration pursuant to the Washington Horizontal Property Regimes Act (RCW Chapter 64.32).

D. Assignee will thereafter convey condominium leasehold estates (in the nature of subleases) in specific boat Moorage Slips to individuals (hereinafter referred to as "Moorage Slip Owners") pursuant to a "Moorage Slip Sublease" in form attached hereto as Exhibit B-1, and seeks the Lessor's approval of such form and conveyance.

E. Certain Moorage Slip Owners may thereafter seek to fully convey their leasehold interest in said Moorage Slip pursuant to an "Assignment of Moorage Slip Sublease" in form attached hereto as Exhibit B-2, and Assignee seeks Lessor's approval of such form and conveyance.

F. Certain Moorage Slip Owners may seek to grant security interests in their condominium Moorage Slips by the "Deed of Trust and Security Agreement" form attached hereto as Exhibit C, and Assignee seeks Lessor's approval of such form for granting such a security interest.

NOW THEREFORE, it is agreed as follows:

1. Consent to Lease Assignment.

The Lessor hereby consents to the assignment of the Lease between the Lessee and the Assignee as shown on the attached "Assignment" upon the following terms and conditions:

a. That Assignee is bound and obligated to perform all conditions and covenants of the Lease.

b. That approval of the assignment is not a discharge of the Lessee (Assignor) or his surety from any or all liabilities, obligations or duties incurred under the Lease prior to the date of consent of the assignment.

c. That Lessee (Assignor) shall remain as a surety for liabilities, obligations or duties of the Assignee of the Lease.

d. That this Agreement shall not constitute a waiver of the requirement that all future assignments of the Lease be approved by the Lessor.

2. Approval of Moorage Slip Forms

The Lessor hereby approves of the use of the forms "Moorage Slip Sublease," "Assignment of Moorage Slip Sublease" and "Deed of Trust and Security Agreement" for future conveyances of a condominium leasehold estate in Moorage Slips and granting of security interests by Moorage Slip Owners on the following conditions:

a. Such Moorage Slip Sublease shall, as between the Lessor and Lessee, Assignee and Moorage Slip Owners constitute a sublease from the Assignee only and such Moorage Slip Owners shall not be considered direct lessees of the State of Washington Department of Natural Resources under the Lease.

b. All Moorage Slip Subleases, Assignment of Moorage Slip Subleases and Deeds of Trust and Security Agreements shall be subject to all terms of the Lease and the terms of this Consent.

c. The Lessor hereby approves all future Moorage Slip Subleases, Assignment of Moorage Slip Subleases and Deeds of Trust and Security Agreements made utilizing the forms attached as Exhibits B-1, B-2 and C approved herein. In the future, variations of these forms may be used without Lessor approval so long as variations from Exhibits B-1, B-2 and C do not affect any of the provisions of the aforementioned Harbor Area Leases or this consent.

3. Conditions of Approval

Such approvals for this present assignment of the Leases and use of the Moorage Slip Subleases, Assignment of Moorage Slip Sublease and Deed of Trust and Security Agreement forms for subleases shall be subject to the following conditions:

a. That the terms of the Lease are not modified by the: execution or approval of the Assignment of Leases; the approval of the Moorage Slip Subleases, Assignment of Moorage Slip Sublease or Deed of Trust and Security Agreement forms; or execution of other documents including the Declaration of Condominium, Association Articles of Incorporation, Association Bylaws or any other documents heretofore executed.

b. That any terms of the Assignment of the Lease that are inconsistent with this Consent are hereby modified to be consistent.

c. That consent to this Assignment of Lease and approval of Moorage Slip Sublease, Assignment of Moorage Slip Sublease and Deed of Trust and Security Agreement forms shall not be deemed to waive any rights or remedies of the Lessor by reason of any failure to perform the terms of the Lease or to change any terms or conditions of the Lease.

d. That Lessee and Assignee shall hold the State of Washington and the Department of Natural Resources harmless from any claims or damage which might result from the fact of granting of this consent.

e. An understanding between all parties, including future Moorage Slip Owners, that so long as the Lease is in effect, the State of Washington and Department of Natural Resources has no ownership interest in any of the authorized improvements now or hereafter located upon or above the property subject to the subject Lease, or the adjoining uplands.

f. That the Condominium Declaration to be filed for this project shall require the Assignee to establish a special account into which it shall deposit and maintain that portion of each assessment which shall be used to make payments under the Lease to the Department of Natural Resources. Said Declaration shall also require Assignee to maintain such bonds for the payment of amounts due under the Lease as the Lessor may require.

4. Building Apartments

In addition to boat Moorage Slips, the subject Condominium will also contain two (2) or more Building Apartments (that is, leasehold Condominium Apartments located within a Building structure). It is understood and agreed that all of the provisions of this document are equally applicable to Building Apartments to the same extent as if the words "Building Apartment(s)" had been used in lieu of "Moorage Slip(s)".

CONSENT GIVEN this 14th day of December, 1983.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

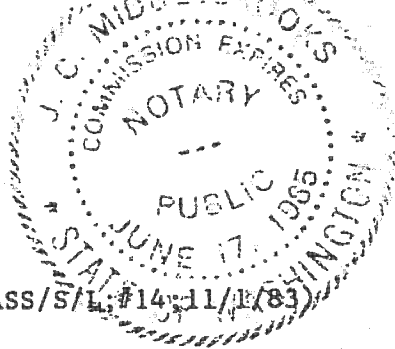
This supersedes the
Consent to Assignment
and Approval of General
Sublease Forms executed
on September 23, 1983.

By J. R. Stearns
for Brian J. Boyle
Commissioner of Public Lands

Approved as to form
12-13-83
Victoria W. Seaton

therein mentioned, and on oath stated that ~~they~~ ^{we} were authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this 1st day December, 1983.



(CON/ASS/S/L: #14-11/1/83)

J. C. Middleton
Notary Public in and for the
State of Washington,
residing at Seattle.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE—COMMISSIONER OF PUBLIC LANDS

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing. The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

RE-
Lease/Assignment - FOR RELEASE OF
LOAN SECURITY

Payment of all sums due under promissory note

For and in consideration of the sum of / secured by Lease Assignment for Loan Security and Loan Security Agreement respectively recorded under Kitsap County Auditor's File Nos. 8111257001 and 8111250081 the hereinafter named assignor hereby assigns, sets over and transfers, all of his or their right,

title, and interest in and to that portion of the lease or contract No. 2332 & 2396 herein described:

Portions of the harbor area situate in front of government lot 7, section 11, township

24 north, range 1 east, W.M., in Kitsap County, Washington, more fully described in

the attachment hereto, by reference made a part hereof

THIS INSTRUMENT IS GIVEN TO RELEASE AND SATISFY ALL COLLATERAL INTEREST EVIDENCED BY THAT CERTAIN LEASE ASSIGNMENT FOR LOAN SECURITY RECORDED UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8111257001 AND LOAN SECURITY AGREEMENT RECORDED UNDER KITSAP COUNTY AUDITOR'S FILE NO. 8111250081

unto: SEA BRIM, INC., a Washington Corporation, and subsequent assigns

whose address is: 20 W. Galer

(P. O. Box - Route - Street)

Seattle,
(City)

Wa.
(State)

98119
(Zip Code)

, and said assignee hereby binds and obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

In the event the assignee is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the assignee by the person or persons now owning a majority of the corporate shares, such change shall be deemed an assignment of this lease, which, to become legally effective, requires the prior written approval of the Department of Natural Resources.

Approval of this assignment by the Department is not a discharge of the assignor or his surety from any or all liabilities, obligations, or duties incurred under the contract or lease prior to the date of consent of this assignment.

Assignment Approved: Release of
as set forth in Agreement dated 9-10-81

Date: 8/8/83

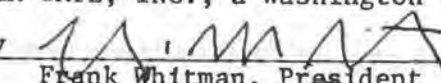
STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES


By: 
BRIAN J. BOYLE
Commissioner of Public Lands

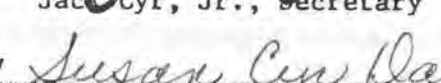
Dated this 15TH day


of June, A.D. 19 83

SEA GATE, INC., a Washington Corporation

By:  Frank Whitman, President Assignor

By:  Jack Cyr, Jr., Secretary Assignor

By:  Susan Cyr Daniel, Treasurer Assignor
SEA BRIM, INC., a Washington Corporation

By:  Terry L. Dorst President Assignee

By:  Glenn R. Davis Secretary Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than principal Certificate of Assignment, does not need to be notarized. If Assignee is a corporation, complete appropriate form.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT
(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON, }
County of _____ } ss.

On this day personally appeared before me.....

.....to me known to be the individual(s) described in and who executed the
within and foregoing instrument, and acknowledged that.....
signed the same as.....free and voluntary act and deed, for the uses and purposes therein
mentioned.

Given under my hand and official seal this.....day of....., 19.....

.....
Notary Public in and for the State of Washington,
residing at.....

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNOR**
County of Kitsap } ss.

On this 16th day of June, 19 83, before me personally appeared

Frank Whitman, Jack Cyr, Jr. and Susan Cyr Daniel

to me known to be the President, Secretary and Treasurer
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 16th day of June, 19 83...

Laura Coomes
Signature

.....
Title

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNEE**
County of KITSAP } ss.

On this 16th day of JUNE, 19 83, before me personally appeared

Terry L. Durst and Glenn R. Davis

to me known to be the President and Secretary
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 16th day of JUNE, 19 83...

Laura Coomes
Signature

.....
Title

That portion of the harbor area situate in front of Government Lot 7, section 11, township 4 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north $75^{\circ}43'57.8''$ west 112 feet, thence north $63^{\circ}38'00''$ west 148.126 feet, thence north $74^{\circ}55'00''$ west, 193 feet, thence north $16^{\circ}00'00''$ east across the harbor area 195 feet to a point on the outer harbor line, thence south $74^{\circ}00'00''$ east along said outer harbor line 450 feet to a point which bears north $16^{\circ}00'00''$ east from the point of beginning and then south $16^{\circ}00'00''$ west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

PARCEL C

That portion of the harbor area lying in front of Lot 7, section 11, township 24 north, range 1 east, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence north 16° east 215 feet, more or less, to the outer harbor line, thence north 74° west along said outer harbor line 450 feet to the true point of beginning, thence south 16° west 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said lot 7, thence northerly along the west line of said lot 7, produced, to the outer harbor line, thence south 74° east along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2396

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE—COMMISSIONER OF PUBLIC LANDS

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing.
The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment - LOAN SECURITY

For and in consideration of the sum of One Million Six Hundred Thousand and No/100
the hereinafter named assignor hereby assigns, sets over and transfers, all of his or their right,
title, and interest in and to that portion of the lease or contract No. 2332 herein described:
That portion of the harbor area situate in front of Government Lot 7, Section 11,
Township 24 North, Range 1 East, W.M., in Kitsap County, Washington, described in
the attachment hereto, by reference made a part hereof

THIS INSTRUMENT SHALL BE IN A SECONDARY AND SUBORDINATE POSITION TO THAT CERTAIN LEASE
ASSIGNMENT FOR LOAN SECURITY RECORDED UNDER AUDITOR'S FILE NO. _____
IN FAVOR OF UNIVERSITY FEDERAL SAVINGS AND LOAN ASSOCIATION

unto: (b) (6)

whose address is: 510 Rainier Avenue South
(P. O. Box - Route - Street)

Seattle, Washington 98144, and said assignee hereby binds and
(City) (State) (Zip Code)
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

In the event the assignee is a corporation, and if at any time during the term of this lease any
part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheri-
tance, operation of law, or other disposition so as to result in a change in the present control of the
assignee by the person or persons now owning a majority of the corporate shares, such change shall
be deemed an assignment of this lease, which, to become legally effective, requires the prior written
approval of the Department of Natural Resources.

Approval of this assignment by the Department is
not a discharge of the assignor or his surety from
any or all liabilities, obligations, or duties incurred
under the contract or lease prior to the date of
consent of this assignment.

Assignment Approved: for Loan Security
as set forth in Agreement dated 6/10/83
Date June 13, 1983

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Brian J. Boyle
BRIAN J. BOYLE
Commissioner of Public Lands

Dated this 10TH day
of June, A.D. 19 83

PORT WASHINGTON PROPERTIES, INC.
By Mark L. Clevon Assignor
Mark L. Clevon, President
By Harold R.J. Stenson, Jr. Assignor
Harold R.J. Stenson, Vice-President
(b) (6)

Assignee

Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT
(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON, }
County of King } ss.

On this day personally appeared before me

(b) (6)

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 10th day of June, 19 83

Jean Pinter
Notary Public in and for the State of Washington,
residing at Seattle

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNOR**
County of King } ss.

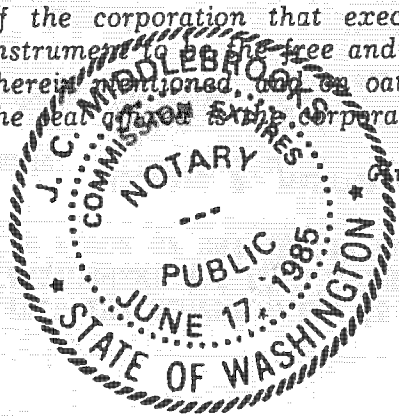
On this 13th day of June, 19 83, before me personally appeared

Mark L. Cleven and Darold R.J. Stenson

to me known to be the President and Vice-President of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that ~~he was~~ ^{they were} authorized to execute said instrument and that the seal affixed is the corporate seal of the corporation.

Given under my hand this 13th day of June, 19 83...

[Signature]
Signature
Notary Public / Seattle
Title



CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNEE**
County of _____ } ss.

On this _____ day of _____, 19 _____, before me personally appeared

to me known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of the corporation.

Given under my hand this _____ day of _____, 19 _____

Signature

Title

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BRIAN J. BOYLE, Commissioner of Public Lands

Date JUNE 10, 1983

STATE OF WASHINGTON LOAN SECURITY AGREEMENT

State Lease(s) pledged for loan security is (are) covered by Application Number(s)

HA-2332

is (are) held by _____

(b) (6)

For use as Security on loan dated JUNE 10, 1983 which is secondary and subordinate to that certain Loan Security Agreement in favor of University Federal Savings and Loan Association recorded under Auditor's File No. _____

Legal description of premises portion of harbor area lying in front of Lot 7,

Section 11 Township 24 N., Range 1 East, W.M.

as more fully described in the attachment hereto, by reference a part hereof
Mortgage Loan No. _____, Term of Loan 12 mos., Amount of Loan \$1,600,000.00

A. The Mortgagee and Mortgagor agree to the following conditions pertaining to the covenants of the State lease(s):

1. Billing statement, notice of default, if any, and all other notice will be mailed to Mortgagor.
2. Copies of billing statement, copies of notice of default, if any, and all other notice will be mailed to Mortgagee.
3. Copies of all statements, notice of default, if any, and correspondence will be sent to the appropriate Department of Natural Resources field office responsible for the lease(s) covered by this agreement.
4. If control of the mortgage covered by this agreement for loan security shall be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the mortgage by the Mortgagee, such change shall require written notice to the Department of Natural Resources.

The Mortgagee and Mortgagor further agree that the State shall be notified of any default, potential default, or any action which may have an adverse effect on the loan agreement.

B. The records on file in the office of the Department of Natural Resources have been noted for the loan security; and further, the State of Washington, Department of Natural Resources, agrees to:

1. Notify the Mortgagee, in addition to the Mortgagor, of any failure of the lessee to meet the terms and conditions of the lease(s). On receipt of such notice the Mortgagee may:
 - a. Correct the terms and conditions of the lease(s) within thirty (30) days of notice.
 - b. Take no action which may result in forfeiture of the lease(s).
2. Notify the Mortgagee of any request by the Mortgagor for transfer assignment, or encumbrance of the above-described tract during the period of this agreement.
3. Recognize the loan security assignment, Exhibit A, attached, and by this reference made a part hereto, and transfer of the lease(s) to the Mortgagee by the filing, by the Mortgagee, of either of the following:

- a. Voluntary surrender of all rights to the lease(s) in favor of the Mortgagee, or
- b. Court Order ordering the transfer of the lease(s) to the Mortgagee.

C. It is agreed by all parties:

1. Should the lease(s) be transferred under the conditions set forth in Section B. 3. a and b to the Mortgagee, the Mortgagee shall become obligated to all the provisions of the lease(s) and the obligations and performances required therein, including security and deposits.
2. Should the State's lessee (Mortgagor) default on the lease(s) the State reserves the first right for claim against any performance bonds, either cash or through a bonding company to collect whatever amount is due the State whether the lease(s) is forfeited or taken over by the Mortgagee. However, the Mortgagee may pay those amounts due to the State preventing a claim being filed against the performance bonds.
3. Execution of this agreement by the State does not waive any rights to insist upon strict performance of the terms of the lease(s) or any other right the State may have.

Mortgagee x
(b) (6)
Address 510 Rainier Ave. So.
Seattle, Wa. 98144

PORT WASHINGTON PROPERTIES, INC?
Mortgagor By [Signature]
By Harold R. Glover, Jr.
Address 20 W. Galer
Seattle, Wa. 98119

Consent given this 13th day of June, A.D., 19 83

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE
Commissioner of Public Lands

By [Signature]
Title _____

ADDENDUM

TO

STATE OF WASHINGTON LOAN SECURITY AGREEMENT

This Addendum is made to that certain State of Washington Loan Security Agreement dated June 10, 1983, between PORT WASHINGTON PROPERTIES, INC. ("Mortgagor") and (b) (6) ("Mortgagee") and consented to by the STATE OF WASHINGTON DEPARTMENT OF NATIONAL RESOURCES ("State").

To secure repayment and performance of a Promissory Note (the proceeds of which are financing the construction of a boat marina) and Construction Loan Agreement, both dated as of June 10, 1983, executed by Mortgagor in favor of Mortgagee, Mortgagor has also executed in favor of the Mortgagee: said Loan Security Agreement; Lease Assignment--Loan Security; and Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement--also all dated as of June 10, 1983.

It is agreed by the parties that:

1. The Lease(s) shall not be terminated or cancelled on account of any default until the State shall have given Mortgagee written notice of such default as provided in Section B.1.a. of said Loan Security Agreement. Mortgagee shall have the right, at any time within thirty (30) days from the giving of such notice, to pay any money or to do any act or things which may be necessary to cure or rectify such default, and if such default or defaults are cured or rectified as aforesaid within thirty (30) days after the giving of said written notice, the Lease(s) shall continue in full force and effect. In the event the default is one which is not susceptible of cure with due diligence within said thirty (30) day period by Mortgagee, whether because of the nature of the default or because of Mortgagee's not being in possession or for any other reason, and if Mortgagee shall have commenced to cure such default prior to the expiration of said thirty (30) day period or shall have initiated proceedings to foreclose or otherwise realize upon its Security Interest or to take possession of Mortgagor's leasehold within said thirty (30) day period, the State agrees that Mortgagee shall have such additional time, including such time as may be required to complete such foreclosure or other proceedings, as may be reasonably necessary to effect such cure, and that if such default is cured and rectified within said additional period of time, the Lease(s) shall continue in full force and effect. The time available to Mortgagee to initiate proceedings to foreclose as aforesaid shall be extended by the number of days of delay occasioned by judicial restriction against such initiation or occasioned by other circumstances beyond Mortgagee's control. Anything herein to the contrary notwithstanding, Mortgagee shall not be allowed in excess

of thirty (30) days to cure any default of Mortgagor in the payment of Rent or in the making of any other payment required of Mortgagor under the Lease(s) after written notice of such default shall have been given to Mortgagee by the State.

2. Mortgagor shall not have the right to exercise any option which it may have acquired under any provision of the Lease(s) to cancel or terminate the Lease(s), nor shall the State and Mortgagor enter into any agreement materially amending, materially modifying, cancelling or terminating the Lease(s) unless such agreement or exercise of option shall have been consented to in writing by Mortgagee and any such attempted exercise of option or attempted agreement not so consented to shall be ineffective, null and void.

3. Mortgagor and the State hereby certify: that the copies of the Lease(s) (attached hereto and made a part hereof to the same extent as if the originals thereof were attached hereto) are true, accurate and complete copies of the Lease(s) and any and all amendments and modifications thereof; and that said Lease(s) are now in full force and effect as to the real property described therein.

4. Pursuant to a Collateral Subordination Agreement and a Debt Subordination Agreement, both dated as of June 10, 1983, and executed by (b) (6) and University Federal Savings Bank ("UFSB") and others, all right, title and interest of (b) (6) is subject and subordinate to the right, title and interest of UFSB under a similar security document recorded under _____ County Recording No. _____.

MORTGAGEE:

(b) (6)

MORTGAGOR:

PORT WASHINGTON PROPERTIES, INC.

By: Mark B. Claver Pres
By: David D. Jensen V.P.
Address: 20 W. Galer
Seattle WA 98119

Address:

510 Rainier Avenue South
Seattle, Washington 98144

CONSENT GIVEN this 13th day of June, 1983

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE
Commissioner of Public Lands

By: James A. Stearns
Title: _____

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE - COMMISSIONER OF PUBLIC LANDS

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing.
The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment - LOAN SECURITY

For and in consideration of the sum of One Million Six Hundred Thousand and No/100
the hereinafter named assignor..... hereby assign..... set..... over and transfer..... all of his or their right,
title, and interest in and to that portion of the lease or contract No. 2332..... herein described:
That portion of the harbor area situate in front of Government Lot 7,
Section 11, Township 24 North, Range 1 East, W.M., in Kitsap County,
Washington, described in the attachment hereto, by reference made a part
hereof

unto: UNIVERSITY FEDERAL SAVINGS AND LOAN ASSOCIATION

whose address is: 6400 Roosevelt Way, N.E.

(P. O. Box - Route - Street)

Seattle,
(City)

Washington
(State)

98115
(Zip Code)

and said assignee..... hereby binds and
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

In the event the assignee is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the assignee by the person or persons now owning a majority of the corporate shares, such change shall be deemed an assignment of this lease, which, to become legally effective, requires the prior written approval of the Department of Natural Resources.

Approval of this assignment by the Department is not a discharge of the assignor or his surety from any or all liabilities, obligations, or duties incurred under the contract or lease prior to the date of consent of this assignment.

Assignment Approved: for Loan Security
as set forth in Agreement dated 6/10/83
Date June 13, 1983

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Brian J. Boyle
BRIAN J. BOYLE
Commissioner of Public Lands

Dated this 10TH day
of JUNE, A.D. 19 83

PORT WASHINGTON PROPERTIES, INC.

By Mark L. Cleven
Mark L. Cleven, President Assignor

By Darold R.J. Stenson
Darold R.J. Stenson, Vice-President Assignor

UNIVERSITY FEDERAL SAVINGS & LOAN ASSN.
Assignee

By Donald S. Swartz
Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT
(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON, }
County of _____ } ss.

On this day personally appeared before me.....

.....to me known to be the individual(s) described in and who executed the
within and foregoing instrument, and acknowledged that.....
signed the same as.....free and voluntary act and deed, for the uses and purposes therein
mentioned.

Given under my hand and official seal this.....day of....., 19.....

Notary Public in and for the State of Washington,
residing at.....

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNOR**
County of KING } ss.

On this 26th day of MAY, 19 83, before me personally appeared

Mark L. Cleven and Darold R.J. Stenson

to me known to be the President and Vice-President
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that ~~he was~~ ^{they were} authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 26th day of May, 19 83...

Wayne E. Johnson
Signature
Notary Public / King County
Title

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

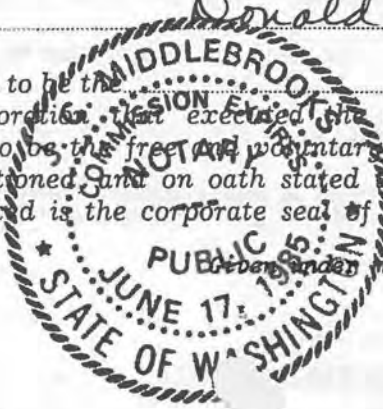
STATE OF WASHINGTON, } **ASSIGNEE**
County of King } ss.

On this 13th day of June, 19 83, before me personally appeared

Donald L. Wahlquist
Senior VP
to me known to be the ASSIGNOR of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 13th day of June, 19 83...

[Signature]
Signature
Notary Public / Seattle
Title



ENDORSEMENT

UNIVERSITY FEDERAL SAVINGS BANK IS THE SUCCESSOR
IN INTEREST TO AND FORMERLY KNOWN AS UNIVERSITY
FEDERAL SAVINGS AND LOAN ASSOCIATION, AND IN ALL
RESPECTS AND REFERENCES SHALL BE DEEMED ONE AND
THE SAME ENTITY.

PARCEL B

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north 75°43'57.8" west 112 feet, thence north 63°38'00" west 148.126 feet, thence north 74°55'00" west, 193 feet, thence north 16°00'00" east across the harbor area 195 feet to a point on the outer harbor line, thence south 74°00'00" east along said outer harbor line 450 feet to a point which bears north 16°00'00" east from the point of beginning and then south 16°00'00" west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

17-5-B
STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BRIAN J. BOYLE, Commissioner of Public Lands

Date JUNE 10, 1983

STATE OF WASHINGTON LOAN SECURITY AGREEMENT

State Lease(s) pledged for loan security is (are) covered by Application Number(s)

HA 2332 is (are) held by

UNIVERSITY FEDERAL SAVINGS AND LOAN ASSOCIATION

For use as Security on loan dated JUNE 10, 1983

Legal description of premises portion of harbor area lying in front of Lot 7,

Section 11 Township 24 N., Range 1 East, W.M.
as more fully described in the attachment hereto, by reference a part hereof
Mortgage Loan No. _____, Term of Loan 12 mos., Amount of Loan \$1,600,000.00

A. The Mortgagee and Mortgagor agree to the following conditions pertaining to the covenants of the State lease(s):

1. Billing statement, notice of default, if any, and all other notice will be mailed to Mortgagor.
2. Copies of billing statement, copies of notice of default, if any, and all other notice will be mailed to Mortgagee.
3. Copies of all statements, notice of default, if any, and correspondence will be sent to the appropriate Department of Natural Resources field office responsible for the lease(s) covered by this agreement.
4. If control of the mortgage covered by this agreement for loan security shall be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the mortgage by the Mortgagee, such change shall require written notice to the Department of Natural Resources.

The Mortgagee and Mortgagor further agree that the State shall be notified of any default, potential default, or any action which may have an adverse effect on the loan agreement.

B. The records on file in the office of the Department of Natural Resources have been noted for the loan security; and further, the State of Washington, Department of Natural Resources, agrees to:

1. Notify the Mortgagee, in addition to the Mortgagor, of any failure of the lessee to meet the terms and conditions of the lease(s). On receipt of such notice the Mortgagee may:
 - a. Correct the terms and conditions of the lease(s) within thirty (30) days of notice.
 - b. Take no action which may result in forfeiture of the lease(s).
2. Notify the Mortgagee of any request by the Mortgagor for transfer assignment, or encumbrance of the above-described tract during the period of this agreement.
3. Recognize the loan security assignment, Exhibit A, attached, and by this reference made a part hereto, and transfer of the lease(s) to the Mortgagee by the filing, by the Mortgagee, of either of the following:

- a. Voluntary surrender of all rights to the lease(s) in favor of the Mortgagee, or
- b. Court Order ordering the transfer of the lease(s) to the Mortgagee.

C. It is agreed by all parties:

1. Should the lease(s) be transferred under the conditions set forth in Section B. 3. a and b to the Mortgagee, the Mortgagee shall become obligated to all the provisions of the lease(s) and the obligations and performances required therein, including security and deposits.
2. Should the State's lessee (Mortgagor) default on the lease(s) the State reserves the first right for claim against any performance bonds, either cash or through a bonding company to collect whatever amount is due the State whether the lease(s) is forfeited or taken over by the Mortgagee. However, the Mortgagee may pay those amounts due to the State preventing a claim being filed against the performance bonds.
3. Execution of this agreement by the State does not waive any rights to insist upon strict performance of the terms of the lease(s) or any other right the State may have.

UNIVERSITY FEDERAL SAVINGS & LOAN ASSN., / PORT WASHINGTON PROPERTIES, INC.

Mortgagee By [Signature]

Mortgagor By [Signature]

By [Signature]

Address 6400 Roosevelt Way, N.E.

Address 20 W. Galer

Seattle, Wa. 98115

Seattle, Wa. 98119

Consent given this 13th day of June, A.D., 19 83

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE
Commissioner of Public Lands

By [Signature]

Title

ADDENDUM

TO

STATE OF WASHINGTON LOAN SECURITY AGREEMENT

This Addendum is made to that certain State of Washington Loan Security Agreement dated June 10, 1983, between PORT WASHINGTON PROPERTIES, INC. ("Mortgagor") and UNIVERSITY FEDERAL SAVINGS BANK ("Mortgagee") and consented to by the STATE OF WASHINGTON DEPARTMENT OF NATIONAL RESOURCES ("State").

To secure repayment and performance of a Promissory Note (the proceeds of which are financing the construction of a boat marina) and Construction Loan Agreement, both dated as of June 10, 1983, executed by Mortgagor in favor of Mortgagee, Mortgagor has also executed in favor of the Mortgagee: said Loan Security Agreement; Lease Assignment--Loan Security; and Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement--also all dated as of June 10, 1983.

It is agreed by the parties that:

1. The Lease(s) shall not be terminated or cancelled on account of any default until the State shall have given Mortgagee written notice of such default as provided in Section B.1.a. of said Loan Security Agreement. Mortgagee shall have the right, at any time within thirty (30) days from the giving of such notice, to pay any money or to do any act or things which may be necessary to cure or rectify such default, and if such default or defaults are cured or rectified as aforesaid within thirty (30) days after the giving of said written notice, the Lease(s) shall continue in full force and effect. In the event the default is one which is not susceptible of cure with due diligence within said thirty (30) day period by Mortgagee, whether because of the nature of the default or because of Mortgagee's not being in possession or for any other reason, and if Mortgagee shall have commenced to cure such default prior to the expiration of said thirty (30) day period or shall have initiated proceedings to foreclose or otherwise realize upon its Security Interest or to take possession of Mortgagor's leasehold within said thirty (30) day period, the State agrees that Mortgagee shall have such additional time, including such time as may be required to complete such foreclosure or other proceedings, as may be reasonably necessary to effect such cure, and that if such default is cured and rectified within said additional period of time, the Lease(s) shall continue in full force and effect. The time available to Mortgagee to initiate proceedings to foreclose as aforesaid shall be extended by the number of days of delay occasioned by judicial restriction against such initiation or occasioned by other circumstances beyond Mortgagee's control. Anything herein to the contrary notwithstanding, Mortgagee shall not be allowed in excess

of thirty (30) days to cure any default of Mortgagor in the payment of Rent or in the making of any other payment required of Mortgagor under the Lease(s) after written notice of such default shall have been given to Mortgagee by the State.

2. Mortgagor shall not have the right to exercise any option which it may have acquired under any provision of the Lease(s) to cancel or terminate the Lease(s), nor shall the State and Mortgagor enter into any agreement materially amending, materially modifying, cancelling or terminating the Lease(s) unless such agreement or exercise of option shall have been consented to in writing by Mortgagee and any such attempted exercise of option or attempted agreement not so consented to shall be ineffective, null and void.

3. Mortgagor and the State hereby certify: that the copies of the Lease(s) (attached hereto and made a part hereof to the same extent as if the originals thereof were attached hereto) are true, accurate and complete copies of the Lease(s) and any and all amendments and modifications thereof; and that said Lease(s) are now in full force and effect as to the real property described therein.

MORTGAGEE:
UNIVERSITY FEDERAL SAVINGS BANK

By: David S. Huey

Address:
6400 Roosevelt Way N.E.
Seattle, Washington 98115

MORTGAGOR:
PORT WASHINGTON PROPERTIES, INC.

By: Maury A. Owen Pres
By: David S. Huey VP

Address: 20 W. GALAX
SEATTLE, WA 98119

CONSENT GIVEN this 13th day of June, 1983.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE
Commissioner of Public Lands

By: James A. Stearns
Title _____

ENDORSEMENT

UNIVERSITY FEDERAL SAVINGS BANK IS THE SUCCESSOR
IN INTEREST TO AND FORMERLY KNOWN AS UNIVERSITY
FEDERAL SAVINGS AND LOAN ASSOCIATION, AND IN ALL
RESPECTS AND REFERENCES SHALL BE DEEMED ONE AND
THE SAME ENTITY.

PARCEL B -

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north $75^{\circ}43'57.8''$ west 112 feet, thence north $63^{\circ}38'00''$ west 148.126 feet, thence north $74^{\circ}55'00''$ west, 193 feet, thence north $16^{\circ}00'00''$ east across the harbor area 195 feet to a point on the outer harbor line, thence south $74^{\circ}00'00''$ east along said outer harbor line 450 feet to a point which bears north $16^{\circ}00'00''$ east from the point of beginning and then south $16^{\circ}00'00''$ west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

HARBOR AREA LEASE BOND NO. 5055387

STATE OF WASHINGTON)
County of Kitsap) ss
)

We, Port Washington Properties, Inc.
of Seattle, Washington, as principal _____, and we, Hartford Accident
& Indemnity Company

as sureties, all of the State of Washington, County of King, do
confess ourselves indebted to the State of Washington in the penal sum of One

Thousand and No/100----- Dollars, and to
the payment of which we are held and firmly bound, and do by these presents bind
ourselves, our and each of our heirs, executors, administrators or assigns, jointly
and severally, firmly by these presents.

Sealed with our seals this 13th day of June A.D., 19 83

The condition of the above obligation is such that, Whereas, the principal _____,
in the foregoing bond did enter into a certain lease and contract No. 2332
with the State of Washington (which is hereto attached and made part of this
instrument), whereby the above bounden principal _____ has leased from the State of
Washington the part, lot or parcel of property described in said hereto attached lease
and contract, upon all the conditions set up in said lease and contract; Now,
therefore, if the said above named lessee _____, the principal _____ herein, shall well
and truly perform all the conditions set up and prescribed in the said lease and
contract hereto attached, in all and every part thereof, then this bond shall be
considered satisfied and discharged; otherwise it shall have full force and effect.

Approved for general use:

Date June 6, 1983
Victoria W. Sheldon
Assistant Attorney General

Insurance Commissioner's Approval:

(Surety's Seal)

Port Washington Properties, Inc.

[Signature]
Signature: Principal
Title PRES.

20 W. Galer
Mailing Address
Seattle, Wa. 98119

Surety
Hartford Accident & Indemnity Company
Mailing Address

P.O. Box C34201, Seattle, WA 98124
Signature: Attorney-in-Fact
[Signature]
Signature: Resident Agent Robert M. Carlton

Agency
Corroon & Black, Inc.
Mailing Address P.O. Box C34201, Seattle, WA 98124

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Hartford, Connecticut

521123

POWER OF ATTORNEY

Know all men by these Presents, That the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, does hereby make, constitute and appoint

WILLIAM C. NELSON, HELEN R. NEWMAN, ROBERT M. CARLTON, STEVE JAMES, BUFF NELSON,
JAMES B. BINDER, JOSEPH B. BUCHANAN and TERESE L. McCONNELL,
of SEATTLE, WASHINGTON

its true and lawful Attorney(s)-in-Fact, with full power and authority to each of said Attorney(s)-in-Fact, in their separate capacity if more than one is named above, to sign, execute and acknowledge any and all bonds and undertakings and other writings obligatory in the nature thereof on behalf of the company in its business of guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; guaranteeing the performance of insurance contracts where surety bonds are accepted by states and municipalities, and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed,

and to bind the HARTFORD ACCIDENT AND INDEMNITY COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the HARTFORD ACCIDENT AND INDEMNITY COMPANY and sealed and attested by one other of such Officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This power of attorney is granted by and under authority of the following provisions:

(1) By-Laws adopted by the Stockholders of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 10th day of February, 1943.

ARTICLE IV

SECTION 8. The President or any Vice-President, acting with any Secretary or Assistant Secretary, shall have power and authority to appoint, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact and at any time to remove any such Resident Vice-President, Resident Assistant Secretary or Attorney-in-Fact, and revoke the power and authority given to him.

SECTION 11. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company thereto any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested by one other of such Officers.

(2) Excerpt from the Minutes of a meeting of the Board of Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY duly called and held on the 11th day of June, 1976:

RESOLVED, Robert N. H. Sener, Assistant Vice-President and Thomas F. Delaney, Assistant Vice-President, shall each have as long as he holds such office the same power as any Vice-President under Sections 6, 7 and 8 of Article IV of the By-Laws of the Company.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of the HARTFORD ACCIDENT AND INDEMNITY COMPANY at a meeting duly called and held on the 6th day of August, 1976.

RESOLVED, That, whereas Robert N. H. Sener, Assistant Vice-President and Thomas F. Delaney, Assistant Vice-President, acting with any Secretary or Assistant Secretary, each have the power and authority, as long as he holds such office, to appoint by a power of attorney, for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more Resident Vice-Presidents, Assistant Secretaries and Attorneys-in-Fact;

Now, therefore, the signatures of such Officers and the seal of the Company may be affixed to any such power of attorney or to any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

In Witness Whereof, the HARTFORD ACCIDENT AND INDEMNITY COMPANY has caused these presents to be signed by its Assistant Vice-President, and its corporate seal to be hereto affixed, duly attested by its Secretary, this 9th day of August, 1976.

Attest:

HARTFORD ACCIDENT AND INDEMNITY COMPANY

Mary Scharf
Mary Scharf, Secretary



Thomas F. Delaney
Thomas F. Delaney
Assistant Vice-President

STATE OF CONNECTICUT, }

ss

COUNTY OF HARTFORD, }

On this 9th day of August, A.D. 1976, before me personally came Thomas F. Delaney, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Assistant Vice-President of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



Gloria Mazotas
Gloria Mazotas, Notary Public
My Commission Expires March 31, 1983

STATE OF CONNECTICUT, }

ss

COUNTY OF HARTFORD, }

CERTIFICATE

I, the undersigned, Assistant Secretary of the HARTFORD ACCIDENT AND INDEMNITY COMPANY, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore, that Article IV, Sections 8 and 11, of the By-Laws of the Company, and the Resolutions of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City of Hartford. Dated the 13th day of June 19 83



John E. Lukens
John E. Lukens
Assistant Secretary

CONSENT TO ASSIGNMENT AND
APPROVAL OF GENERAL SUBLEASE FORMS

WHEREAS, the STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES (hereinafter referred to as Lessor) and PORT WASHINGTON PROPERTIES, INC., a Washington corporation (hereinafter referred to as Lessee), have previously entered into Harbor Area Lease No. 2332, 2396, 2399, and

WHEREAS, the Lessee has proposed to assign the lease to PORT WASHINGTON MARINA OWNERS ASSOCIATION, a Washington Corporation, (hereinafter referred to as Assignee) by execution of an assignment, a copy of which is attached hereto as Exhibit A, and seeks the consent of the Lessor to such assignment, and

WHEREAS, Lessee seeks to convey leasehold estates to purchasers (hereinafter referred to as "partial assignees") as part of a leasehold condominium and has proposed such conveyances or subletting as provided by the "Partial Assignment of Lease" form attached hereto as Exhibit B, and seeks the Lessor's approval of such forms and conveyances or subletting, and

WHEREAS, certain partial assignees may seek to grant security interests in their condominium slips by the "Deed of Trust and Security Agreement" form attached hereto as Exhibit C and Lessee seeks Lessor's approval of such form for granting such a security interest, now therefore

A. The Lessor hereby consents to the assignment between the Lessee and the Assignee as shown on the attached "Assignment" upon the following terms and conditions:

1. That Assignee is bound and obligated to perform all conditions and covenants of the lease.
2. That approval of the assignment is not a discharge of the Lessee (Assignor) or his surety from any or all liabilities, obligations, or duties incurred under the lease to the date of consent of the assignment.
3. That Lessee (Assignor) shall remain as a surety for liabilities, obligations, or duties of the Assignee of the Lease.
4. That this agreement shall not constitute a waiver of the requirement that all future assignments be approved by the Lessor.

B. The Lessor hereby approves of the use of the form "Partial Assignment of Lease" and "Deed of Trust and Security Agreement" for future conveyances of a leasehold estate by Lessee and conveyance of security interests by partial assignees on the following conditions:

1. Such partial assignment shall, as between the Lessor and Lessee, Assignee, and partial assignees constitute a sublease only and such partial assignees shall not be considered direct lessees of the State of Washington Department of Natural Resources.

2. All "partial assignments" and "Deeds of Trust and Security Agreements" shall be subject to all terms of the Harbor Area Lease and the terms of this consent.

3. The Lessor hereby approves all future "Partial Assignments of Lease" and "Deeds of Trust and Security Agreements" made utilizing the forms attached as Exhibits B and C approved herein. In the future, variations of these forms may be used without Lessor approval so long as variations from Exhibits B and C do not affect any of the provisions of Harbor Area Lease No.2332, 2396, 2399, or this consent.

C. Such approvals for assignment and use of the "Partial Assignment of Lease" and "Deed of Trust and Security Agreement" forms shall be subject to the following conditions:

1. That the terms of the Harbor Area Lease are not modified by the execution or approval of the assignment, the approval of the "Partial Assignment of Lease", of "Deed of Trust and Security Agreement" forms, or execution of other documents including the Declaration of Condominium, Articles of Incorporation, Bylaws, or any other documents heretofore executed.

2. That all terms of the assignment that are inconsistent with this consent are hereby modified to be consistent.

3. That consents to assignment and approval of "Partial Assignments of Lease" and "Deed of Trust and Security Agreement" shall not be deemed to waive any rights or remedies of the Lessor by reason of any failure to perform the terms of the lease.

CONSENT GIVEN THIS 23 day of September, 1983.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By

J. A. Stearns, Supervisor
for Commissioner of Public Lands

APPROVED:

LESSEE:

ASSIGNEE:

PORT WASHINGTON
PROPERTIES, INC.PORT WASHINGTON MARINA OWNERS
ASSOCIATION (A Washington Corporation)By Mark L. Cleven
PresidentBy Mark L. Cleven
PresidentSTATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me MARK L. Cleven, to me known to be the President of Port Washington Properties, Inc., the corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

GIVEN under my hand and official seal this 26th day of May, 1983.

Wayne E. Johnson
NOTARY PUBLIC in and for the State of
Washington, residing at KING County

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me MARK L. Cleven to me known to be the President of Port Washington Marina Owners Association, the non-profit corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned and on oath stated that he is authorized to execute the said instrument on behalf of said corporation.

GIVEN under my hand and official seal this 26th day of May, 1983.

Wayne E. Johnson
NOTARY PUBLIC in and for the State of
Washington, residing at KING County

EXHIBIT A
ASSIGNMENT
OF
HARBOR AREA LEASES

THIS ASSIGNMENT is made and executed this 1st day of November, 1983, by and between PORT WASHINGTON PROPERTIES, INC., a Washington corporation (hereafter referred to as "Assignor") and PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION, a Washington non-profit corporation, (hereafter referred to as "Assignee").

RECITALS

A. Assignor is the lessee pursuant to Harbor Area Leases (more particularly described in Exhibit A-1 attached hereto), (the "DNR Lease" collectively herein).

B. Assignee will act as Declarant of the PORT WASHINGTON MARINA CONDOMINIUM (hereafter referred to as "Condominium"), a leasehold condominium to be located in the leasehold estate created by the DNR Lease as shown on the Survey Map and Plans of said Condominium to be recorded in Kitsap County, Washington. Recording information concerning the Declaration for said Condominium and the Survey Map and Plans shall be added to Exhibit A-1 attached hereto upon recordation.

C. Assignee will be conveying leasehold interests in the individual Condominium Moorage Slips to numerous individuals (hereafter "Moorage Slip Owners") pursuant to "Moorage Slip Subleases".

D. The Department of Natural Resources (hereafter "DNR") is desirous of having a lease relationship with one Master Lessee rather than having multiple lease relationships with Moorage Slip Owners.

E. Assignee has been created as a non-profit corporation which serves as the Owners Association of the Condominium and has as its members all of the Moorage Slip Owners.

F. The parties desire by this Assignment to create an assignment under which the Assignee becomes a Master Lessee for all purposes relating to the DNR Lease.

G. In connection with the foregoing, DNR has on the date hereof executed a Consent to Assignment and Approval of General Sublease Forms ("Consent to Assignment").

EXHIBIT "A-1"Harbor Area Lease Descriptions
(Page 1)PARCEL B:

that certain Harbor Area Lease No. 2332 (and all amendments, renewals and extensions thereof) under Kitsap County Auditor's File No. 8306200099 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north 75°43'57.8" west 112 feet, thence north 63°38'00" west 148.126 feet, thence north 74°55'00" west, 193 feet, thence north 16°00'00" east across the harbor area 195 feet to a point on the outer harbor line, thence south 74°00'00" east along said outer harbor line 450 feet to a point which bears north 16°00'00" east from the point of beginning and then south 16°00'00" west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

Parcel C:

that certain Harbor Area Lease No. 2396 (and all amendments, renewals and extensions thereof) under Kitsap County Auditor's File No. 8306200098 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the harbor area lying in front of Lot 7, section 11, township 24 north, range 1 east, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence north 16° east 215 feet, more or less, to the outer harbor line, thence north 74° west along said outer harbor line 450 feet to the true point of beginning, thence south 16° west 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said lot 7, thence northerly along the west line of said lot 7, produced, to the outer harbor line, thence south 74° east along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2396

EXHIBIT "A-1"Harbor Area Lease Descriptions
(Page 2)PARCEL D:

that certain Harbor Area Lease No. 2399 (and all amendments, renewals and extensions thereof) recorded under Kitsap County Auditor's File No. 8306200110 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the Harbor area lying in front of lot 6, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington, between the easterly line of waterway number 4 and the east line of lot 6 of said section 11, produced northerly across the harbor area to the outer harbor line. Also known as leasehold A-2399.

TRO 8/8/2014

EXHIBIT B-1

ASSIGNMENT OF MOORAGE SLIP* SUBLEASE

PORT WASHINGTON MARINA CONDOMINIUM

In consideration of the sum of Ten and 00/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned Grantor hereby conveys, assigns, transfers and sets over to the undersigned Grantee all of Grantor's right, title and interest in and to: that certain Moorage Slip* Sublease dated _____, 1983, and recorded under Kitsap County Auditor's File No. _____, in which Port Washington Marina Condominium Owners Association ("Association" herein) was grantor; and, pursuant to said Sublease, the following described leasehold estate in Kitsap County, Washington:

A leasehold estate (sublease) in Moorage Slip No. _____ of the Port Washington Marina Condominium (a leasehold condominium), said Moorage Slip* constituting an "Apartment" as that term is defined in the Washington Horizontal Property Regimes Act (RCW Chapter 64.32); and intended for boat moorage uses* only (Post Office address being: 1805 Thompson Drive, Bremerton, Washington, according to Survey Map and Plans, delineating said Apartment, recorded in Volume _____ of Condominiums, pages _____ through _____, inclusive, under Kitsap County Auditor's File No. _____, AND according to condominium Declaration recorded under Kitsap County Auditor's File No. _____, TOGETHER with a _____ percentage of undivided interest in the Common Areas and Facilities and the use of Limited Common Areas appertaining to the Apartment; all as expressly provided for in the Declaration, and in properly recorded amendments thereto, if any.

A. SUBJECT TO THE FOLLOWING:

1. Declaration and Bylaws

The terms, provisions, definitions, covenants, options, obligations and restrictions contained in said Condominium Declaration or any amendments to restatements thereof or as may be contained in any Association Bylaws adopted pursuant to said Declaration or any amendments or restatements thereof;

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2. Assessments

The liability for assessments due or to become due Association for all Common Expenses of the Property as provided in said Condominium Declaration or any amendments or restatements thereof and the agreement of the Association to pay, from applicable payments received, Grantee's pro rata share of the maintenance assessment and other costs required to maintain the project and DNR leases;

3. Horizontal Property Regimes Act

The terms, provisions and limitations contained in the Horizontal Property Regimes Act, Chapter 156, Laws of 1963, as now or hereafter amended (commonly known and referred to as RCW ch. 64.32 et seq.);

4. Easements

All easements, reservations, restrictions, covenants, conditions and agreements of record;

5. DNR Leases

Those certain Harbor Area Leases Nos. 2332, 2396 and 2399 issued by the Department of Natural Resources ("DNR") and recorded under Kitsap County Auditor's File Nos. 830620099, 830620098 and 8306200110 ("DNR Leases");

6. Consent to Assignment

That certain Consent to Assignment and Approval of General Sublease Forms signed by the Department of Natural Resources, Port Washington Properties, Inc. and Port Washington Marina Condominium Owners Association dated _____, 1983 (recorded on _____, 1983, under Kitsap County Auditor's File No. _____, which establishes among other things that Grantee's relationship with DNR is that of a sublessee of the Association. Grantor warrants that it is the owner and holder of the leasehold interest herein conveyed subject to the foregoing exceptions.

7. Additional Parcel Declarations

Those certain Parcel A, Parcel E and Parcel F Declarations all dated _____, 1983, and recorded under Kitsap County Auditor's File Nos. _____ and _____.

B. GRANTEE'S AGREEMENTS

By acceptance of this Assignment of Sublease, Grantee acknowledges and agrees as follows:

1. Receipt of Copies

That he or she has received copies of (and consents and agrees to and approves) the Sublease being assigned hereby, said Declaration,

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Ex. 297: 521

Survey Map and Plans, Association Bylaws, Consent to Assignment, and all applicable DNR Leases, as well as any amendments or restatements of the foregoing;

2. Apartment Conditions

That said Apartment and Common and Limited Common Areas are accepted in their present condition;

3. Performance of Obligations

To perform all obligations of an Apartment Owner pursuant to said Declaration, Association Bylaws, Consent to Assignment, said DNR Leases, or any amendments or restatements of any of the foregoing now in existence and/or hereafter executed; and to be bound by, and to fully perform, all of the terms, conditions and provisions of the Sublease being assigned hereby.

C. ASSIGNMENT OF HARBOR AREA LEASES

This Assignment of Sublease is subject to the terms of the Assignment of Harbor Area Leases to Port Washington Marina Condominium Owners Association recorded under Kitsap County Auditor's File No. _____, which establishes the Association as a Master Lessee with regard to all rights and obligations arising under the DNR Lease. Grantee agrees to be bound by all of the terms of said Assignment to the Association and without restricting the generality of such an agreement to be bound by all of said terms, Grantee specifically agrees as follows:

1. Master Lessee

The association shall be the Master Lessee with regard to the DNR Leases, and the Association, as Master Lessee, shall be the sole and only party which has any right to deal with the DNR as to any matters arising out of the DNR Lease.

2. Performance of DNR Lease

The Association shall be responsible for performance of all of the Lessor's obligations which arise under the DNR Lease, including but not limited to fulfilling all of the terms and conditions of the Lease, regardless of any Apartment Subleases made by the Association. Such obligations for assuring performance of Lessee obligations shall include the duty to assure that Grantee complies with the DNR Lease obligations and agrees the Association has the power to compel Grantee to comply with the DNR Lease terms. DNR shall be permitted to enforce all the provisions of the Lease directly against the Association without any obligation to proceed in any manner against Grantee, even if failure to perform Lessee obligations is the result of Grantee's actions or omissions.

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3. Individual Claims

Grantee agrees that he or she shall be required to assert individual claims, if any, that he may have against the DNR arising from the DNR Lease through the Association as Master Lessee, all individual claims, if any, which Grantee may now have or may hereafter assert against the DNR arising from the DNR Lease.

4. DNR Lease Payment

Grantee agrees that all payments to be made pursuant to the DNR Lease shall be collected by and paid by the Association as the Master Lessee to DNR in a lump sum and Grantee agrees to pay this pro rata share of such payments by way of assessment to the Association.

DATED this _____ day of _____, 1983.

PORT WASHINGTON MARINA CONDOMINIUM
OWNERS' ASSOCIATION, a Washington
Non-profit Corporation

By _____

Its _____

STATE OF WASHINGTON)
)
COUNTY OF KING)

On this day personally appeared before me _____ and _____, to me known to be the _____ and _____ of PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION, the corporation described in the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument on behalf of the corporation.

GIVEN under my hand and official seal this _____ day of _____, 19____.

Notary Public in and for the
State of Washington, residing
at _____

8312290193

...297: 523

ACCEPTED AND APPROVED this _____ day of _____, 1983.

GRANTEE:

[NOTE: If this form is used for conveying a leasehold estate (sublease) in a Building Apartment, then the words "Building Apartment(s)" should be inserted in lieu of "Moorage Slip(s)" and the words "the uses specified in Section 11.1.2 of the Declaration" should be inserted in lieu of "boat moorage uses" in the legal description on page 1 hereof.]

(CON/ASS/S/L.18;#14;11/1/83)

8312290193

R0297E 524

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TRO 8/8/2014

CONSENT TO ASSIGNMENT

WHEREAS, the STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES (hereinafter referred to as Lessor) and SEA BRIM INC., a Washington corporation (hereinafter referred to as Lessee) have previously entered into Harbor Area Lease No. 2332,2396.

WHEREAS, the STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES (hereinafter referred to as Lessor) and (b) (6), et al (hereinafter referred to as Lessee) have previously entered into Harbor Area Lease No. 2523.

WHEREAS, the STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES (hereinafter referred to as Lessor) and (b) (6), (hereinafter referred to as Lessee) have previously entered into Harbor Area Lease No. 2399.

WHEREAS, the Lessees have proposed to assign the leases to PORT WASHINGTON PROPERTIES INC., a Washington Corporation (hereinafter referred to as Assignee) by execution of various Lease Assignments seeks the consent of the Lessor to such assignment, and

THEREFORE, the Lessor hereby consents to the assignment between the Lessee and the Assignee as shown on the attached "Assignment" upon the following terms and conditions:

1. That Assignee is bound and obligated to perform all conditions and covenants of the lease.
2. That approval of the assignment is not a discharge of the Lessee (Assignor) or his surety from any or all liabilities, obligations, or duties incurred under the lease to the date of consent of the assignment.
3. That this agreement shall not constitute a waiver of the requirement that all future assignments be approved by the Lessor.

TRO 8/8/2014

CONSENT GIVEN THIS _____ day of _____, 1983.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By _____

Commissioner of Public Lands

APPROVED:

LESSEE:

ASSIGNEE:

SEA BRIM INC.
(A Washington
Corporation)

PORT WASHINGTON PROPERTIES INC.
(A Washington Corporation)

By [Signature]
President

By [Signature]
President

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me TERRY L. Durst
to me known to be the president of Sea Brim Inc., the
corporation that executed the foregoing instrument and
acknowledged said instrument to be the free and voluntary
act and deed of said corporation, for the uses and purposes
therein mentioned, and on oath stated that he is authorized
to execute the said instrument on behalf of said
corporation.

GIVEN under my hand and official seal this 29th day
of May, 1983.

Wayne S. Johnson
NOTARY PUBLIC in and for the State of
Washington, residing at KING County

Approved as to Form Only

31st day of May 1983
KENNETH O. EIKENBERRY
Attorney General

By [Signature]
Assistant Attorney General

5/31/83

TRO 8/8/2014

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Mark L. Cleven
to me known to be the President of Port Washington
Properties Inc., a corporation that executed the foregoing
instrument and acknowledged said instrument to be the free
and voluntary act and deed of said corporation, for the uses
and purposes therein mentioned and on oath stated that he is
authorized to execute the said instrument on behalf of said
corporation.

GIVEN under my hand and official seal this 29th day of
May, 1983.

Wayne S. Johnson
NOTARY PUBLIC in and for the State of
Washington, residing at KING County

APPROVED:

LESSEE:

(b) (6)

On this day personally appeared before me
(b) (6), and executed the foregoing
instrument and acknowledged said instrument to be their free
and voluntary act and deed, and on oath stated that they are
authorized to execute the said instrument.

GIVEN under my hand and official seal this 31st day of
May, 1983.

Laura Coomes
NOTARY PUBLIC IN AND FOR THE STATE OF
WASHINGTON, RESIDING AT Port Orchard

APPROVED:

LESSEE:

(b) (6)

On this day personally appeared before me

(b) (6)

and that they executed the foregoing instrument and acknowledged said instrument to be their free and voluntary act, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

GIVEN under my hand and official seal this 31st day of May, 1983.

Laura Coomes

NOTARY PUBLIC in and for the State of
Washington, residing at Port Orchard

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE - COMMISSIONER OF PUBLIC LANDS

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing.
The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment

For and in consideration of the sum of (Encompassed in assignment of HA Lease 2396)
the hereinafter named assignor S hereby assign set over and transfer all of his or their right,
title, and interest in and to that portion of the lease or contract No. 2332 herein described:
That portion of the harbor area situate in front of Government Lot 7,
Section 11, Township 24 North, Range 1 East, W.M., in Kitsap County,
Washington, described in the attachment hereto, by reference made a part
hereof

unto: PORT WASHINGTON PROPERTIES, INC., a Washington Corporation

whose address is: 20 W. Galer
(P. O. Box - Route - Street)

Seattle, Washington 98119, and said assignee hereby binds and
(City) (State) (Zip Code)
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

NOTE: Aquatic land lease assignments must include proof of ownership
of, or authorization to use abutting tideland, shoreland or upland
property. Attach copy of deed, contract of sale or notarized waiver
from legal owner of the property.

In the event the assignee is a corporation, and if at any time during the term of this lease any
part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheri-
tance, operation of law, or other disposition so as to result in a change in the present control of the
assignee by the person or persons now owning a majority of the corporate shares, such change shall
be deemed an assignment of this lease, which, to become legally effective, requires the prior written
approval of the Department of Natural Resources.

Approval of this assignment by the Department is
not a discharge of the assignor or his surety from
any or all liabilities, obligations, or duties incurred
under the contract or lease prior to the date of
consent of this assignment.

Assignment Approved:

Date June 13, 1983

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By James A. Stearns

For BRIAN J. BOYLE, Commissioner

Dated this 26th day
of May, A.D. 1983

x Mark L. Clevon Assignor
Sea Brim, Inc., a Washington Corp.,

By Terry L. Quist Assignor

By Glenn R. Davis Assignor
Port Washington Properties, Inc.,

By Mark L. Clevon Assignee

By Harold R.J. Stenson Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT
(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON, }
County of KING } ss.

On this day personally appeared before me

Mark L. Cleven

to me known to be the individual(s) described in and who executed the
within and foregoing instrument, and acknowledged that he

signed the same as his free and voluntary act and deed, for the uses and purposes therein
mentioned.

Given under my hand and official seal this 26th day of MAY, 1983

Wayne E. Johnson
Notary Public in and for the State of Washington,
residing at KING County

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNOR**
County of KING } ss.

On this 26th day of MAY, 1983, before me personally appeared

Terry L. Durst and Glenn R. Davis

to me known to be the President and Secretary
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that ~~he was~~ they were authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 26th day of MAY, 1983

Wayne E. Johnson
Signature
Notary Public / King County
Title

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNEE**
County of KING } ss.

On this 26th day of MAY, 1983, before me personally appeared

Mark L. Cleven and Darold R.J. Stenson

to me known to be the President and Vice-President
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that ~~he was~~ they were authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 26th day of MAY, 1983

Wayne E. Johnson
Signature
Notary Public / King County
Title

PARCEL B

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north $75^{\circ}43'57.8''$ west 112 feet, thence north $63^{\circ}38'00''$ west 148.126 feet, thence north $74^{\circ}55'00''$ west, 193 feet, thence north $16^{\circ}00'00''$ east across the harbor area 195 feet to a point on the outer harbor line, thence south $74^{\circ}00'00''$ east along said outer harbor line 450 feet to a point which bears north $16^{\circ}00'00''$ east from the point of beginning and then south $16^{\circ}00'00''$ west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasencid 2232

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BRIAN J. BOYLE, COMMISSIONER OF PUBLIC LANDS

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing. The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment

For and in consideration of the sum of (Encompassed in assignment of HA Lease 2396)
the hereinafter named assignor S hereby assign set over and transfer all of his or their right,
title, and interest in and to that portion of the lease or contract No. 2332 herein described:
That portion of the harbor area situate in front of Government Lot 7,
Section 11, Township 24 North, Range 1 East, W.M., in Kitsap County,
Washington, described in the attachment hereto, by reference made a part
hereof

unto: PORT WASHINGTON PROPERTIES, INC., a Washington Corporation

whose address is: 20 W. Galer
(P. O. Box - Route - Street)

Seattle, Washington 98119
(City) (State) (Zip Code)

, and said assignee hereby binds and
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

NOTE: Aquatic land lease assignments must include proof of ownership of, or authorization to use abutting tideland, shoreland or upland property. Attach copy of deed, contract of sale or notarized waiver from legal owner of the property.

In the event the assignee is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the assignee by the person or persons now owning a majority of the corporate shares, such change shall be deemed an assignment of this lease, which, to become legally effective, requires the prior written approval of the Department of Natural Resources.

Approval of this assignment by the Department is not a discharge of the assignor or his surety from any or all liabilities, obligations, or duties incurred under the contract or lease prior to the date of consent of this assignment.

Assignment Approved:

Date May 31, 1983

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By James A. Stearn

For BRIAN J. BOYLE, Commissioner

Dated this 26th day
of May, A.D. 19 83

x Mark L. Cleven
Mark L. Cleven Assignor
Sea Brim, Inc., a Washington Corp.,

By Terry L. Quest
Terry L. Quest Assignor

By Glenn R. Davis
Glenn R. Davis Assignor
Port Washington Properties, Inc.,

By Mark L. Cleven
Mark L. Cleven Assignee

By Harold R.J. Stenson
Harold R.J. Stenson Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT
(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON, }
County of KING } ss.

On this day personally appeared before me

Mark L. Cleven

to me known to be the individual(s) described in and who executed the
within and foregoing instrument, and acknowledged that he
signed the same as his free and voluntary act and deed, for the uses and purposes therein
mentioned.

Given under my hand and official seal this 26th day of MAY, 1983

Wayne E. Johnson
Notary Public in and for the State of Washington,
residing at KING County

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNOR**
County of KING } ss.

On this 26th day of MAY, 1983, before me personally appeared
Terry L. Durst and Glenn R. Davis

to me known to be the President and Secretary
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that ~~he was~~ ^{they were} authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 26th day of MAY, 1983

Wayne E. Johnson
Signature
Notary Public / King County
Title

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNEE**
County of KING } ss.

On this 26th day of MAY, 1983, before me personally appeared
Mark L. Cleven and Darold R.J. Stenson

to me known to be the President and Vice-President
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that ~~he was~~ ^{they were} authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand this 26th day of MAY, 1983

Wayne E. Johnson
Signature
Notary Public / King County

TRO 8/8/2014

The Commissioner of Public Lands will not approve or enter any assignment and bond unless this lease is in good standing.
The assignee must sign. The fee for approval is \$5.00.

ASSIGNMENT

For and in consideration of the sum of good and valuable consideration *
(\$..... See above.....) Dollars, the within lesseeS..... hereby assignS....., setS..... over and transferS..... all of his
or their right, title and interest in and to the within lease No..... HA 2332..... unto
..... Sea Brim, Inc..... of....., and said
assignee hereby binds and obligates himself (or themselves) to perform all the conditions and covenants
of said lease.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this..... 21st day of
..... August....., A. D. 19..... 81

Witnesses

SEA GATE, INC. [SEAL] Assignor.

SEA GATE, INC. [SEAL] Assignor.

Sea Brim, Inc. (President) [SEAL] Assignee.

Sea Brim, Inc. [SEAL] Assignee.

*said consideration also encompasses the
assignment of lease #HA2396

ASSIGNOR'S ACKNOWLEDGMENT

(If a corporation, use the form below.)

STATE OF WASHINGTON, County of....., ss.

I do hereby certify that on this..... Day of....., 19....., personally
appeared before me.....
to me known to be the individual..... described in, and who executed the within instrument, and acknowl-
edged that..... signed and sealed the same as..... free and voluntary act and deed for the uses
and purposes therein mentioned.

Given under my hand and notarial seal the day and year in this certificate first above written.

Notary Public in and for the State of Washington,

Residing at.....

Brian J. Boyle Sept. 14, 1981

BRIAN J. BOYLE

Commissioner of Public Lands CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, County of..... Kitsap....., ss.

THIS IS TO CERTIFY, That on this..... 26th day of..... August....., 1981.....
before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared
..... Frank Whitman..... as President and..... Jack Cyr, Jr.....
as Secretary of..... Sea Gate, Inc.....

the corporation named in the within and foregoing assignment; and the said..... Frank Whitman
..... and Jack Cyr, Jr..... acknowledged to me then and there, that
as such President of said corporation, he signed and subscribed its name to the foregoing as assignor, to-
gether with his own name, as its said President, freely and voluntarily and as the free and voluntary act and
deed of said corporation.

And the said..... Jack Cyr, Jr....., as Secretary of said corporation, then
and there acknowledged to me that he affixed to said assignment its corporate seal, attested the same and
placed thereunto his signature, as its Secretary, freely and voluntarily and as and for the free and voluntary
act and deed of said corporation.

Notary Public in and for the State of Washington,

Residing at..... Buerator

STATE OF WASHINGTON, }
County of KITSAP } ss.

We, Terry L. Durst and Glenn R. Davis
of Sea Brim, Inc., as principals, and we,
(b) (6)

as sureties, all of the State of Washington, County of Kitsap, do confess ourselves indebted to the State of Washington in the penal sum of One Thousand and 00/100 Dollars, and to the payment of which we are held and firmly bound, and do by these presents bind ourselves, our and each of our heirs, executors, administrators or assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that, Whereas, the principals, in the foregoing bond did enter into a certain lease and contract No. HA 2332 with the State of Washington (which is hereto attached and made a part of this instrument, and all the conditions of which are written into and made part of this instrument), whereby the above bounden principal ha leased from the State of Washington the part, lot or parcel of property described in said hereto attached lease and contract, upon all the conditions set up in said lease and contract: Now, therefore, if the said above named lessee, the principal herein, shall well and truly perform all the conditions set up and prescribed in the said lease and contract hereto attached, in all and every part thereof, then this bond shall be considered satisfied and discharged; otherwise it shall have full force and effect.

Sealed with our seals this 21st day of August, A. D. 19 81

[SEAL] Terry L. Durst [SEAL]
[SEAL] Glenn R. Davis [SEAL]
[SEAL] [SEAL]
[SEAL] [SEAL]

The foregoing bond and the sureties thereon approved this day of 19

Commissioner of Public Lands.

TO BE EXECUTED BY SURETIES ONLY

STATE OF WASHINGTON, }
County of KITSAP } ss.

(b) (6)
being first duly sworn, each for himself, and not one for the other, deposes and says: That he is a citizen of the State of Washington and is not barred by any statute of said State from executing bonds or becoming a surety; that he is one of the persons named in and who executed the foregoing obligations as surety, and that the same is his free and voluntary act and deed for the uses and purposes therein mentioned; that he is worth the sum of One Thousand and 00/100, over and above all of his just debts and liabilities, in separate property situated in said State, and not exempt from sale on execution.

(b) (6)

Address: (b) (6) *104
Bumerton, WA 98310

Subscribed and sworn to before me this 21st day of August, A. D. 19 81

[Signature]
Notary Public in and for the State of Washington,
Residing at Bumerton

(Assignment and acknowledgment forms on reverse side.)

I, Sandra S. Clancy, acting as Records Officer for
BRIAN J. BOYLE, Commissioner of Public Lands of the
State of Washington, and as official Administrator of the
Department of Natural Resources for the State of
Washington, do hereby certify that the annexed and
foregoing (are) true and correct (copies) of
the original (s) thereof on file in this office.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Bert L. Cole
Commissioner of Public Lands
Olympia, Washington 98504

IN TESTIMONY WHEREOF, I have hereunto set my
hand and affixed the seal of the Commissioner of Public
Lands this 13th day of June, A.D. 1983

Sandra S. Clancy
Records Officer
Department of Natural Resources

HARBOR AREA LEASE NO. 2332

BY THIS LEASE, by and between the STATE OF WASHINGTON, acting by and
through the Department of Natural Resources, hereinafter called the Lessor and
(b) (6)

hereinafter called the Lessee, the Lessor leases to the Lessee on the terms and
conditions as hereinafter set forth, the following described harbor area situate
in Kitsap County, Washington, to wit:

That portion of the harbor area situate in front of Government Lot 7,
Section 11, Township 24 North, Range 1 East, W.M., included in a tract described
as follows:

Beginning at a point on the inner harbor line, said point also being the
northwest corner of Lot 11, Supplemental Plat of Bay View Gardens, a recorded plat
in said Government Lot 7 and running thence, along said inner harbor line,
N 75° 43' 57.8" W 112 feet, thence N 63° 38' 00" W 148.126 feet, thence N 74° 55' 00" W,
193 feet, thence N 16° 00' 00" E across the harbor area 195 feet to a point on the
outer harbor line, thence S 74° 00' 00" E along said outer harbor line 450 feet to a
point which bears N 16° 00' 00" E from the point of beginning and then S 16° 00' 00" W,
across the harbor area, to the point of beginning as shown on the official maps of
Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at
Olympia, Washington.

SECTION 1 OCCUPANCY

1.1 Term. This lease shall commence on the 1st day of November
19 74 and continue to the 1st day of November, 2004.

SECTION 2 USE OF PREMISES

2.1 Permitted Use. The Lessee shall have use of the leased premises for the pur-
poses of building and maintaining wharves, docks and other structures for the con-
venience of navigation and commerce as shown on the exhibits approved by the Lessor
and on file in the office of the Lessor.

SECTION 3 RENTAL

3.1 Amount. Annual rental in the amount of \$ 642.60, which represents
percent of the full and true value of the harbor area herein described as de-
termined by the Lessor, in accordance with the provisions of Chapter 97, Laws of
1969, First Extraordinary Session.

3.2 Adjustment. The Lessor shall at the end of the first five (5) year period of
the lease term and at the end of each subsequent five (5) year period of the lease
term, determine the full and true value in money of the herein described harbor
area exclusive of improvements, unless the improvements are State-owned, in which
case they shall be included, which value shall be the value at which the property
would be taken in payment of a just debt from a solvent debtor and such valuation
shall be utilized in computation of rental for the five (5) year period following.

HARBOR AREA LEASE BOND NO. 5055389

STATE OF WASHINGTON)
County of Kitsap) ss

We, Port Washington Properties, Inc.
of _____, as principal _____, and we, Hartford Accident
& Indemnity Company

as sureties, all of the State of Washington, County of King, do
confess ourselves indebted to the State of Washington in the penal sum of One

Thousand and No/100----- Dollars, and to
the payment of which we are held and firmly bound, and do by these presents bind
ourselves, our and each of our heirs, executors, administrators or assigns, jointly
and severally, firmly by these presents.

Sealed with our seals this 13th day of June A.D., 19 83

The condition of the above obligation is such that, Whereas, the principal _____,
in the foregoing bond did enter into a certain lease and contract No. HA2399
with the State of Washington (which is hereto attached and made part of this
instrument), whereby the above bounden principal _____ has leased from the State of
Washington the part, lot or parcel of property described in said hereto attached lease
and contract, upon all the conditions set up in said lease and contract; Now,
therefore, if the said above named lessee _____, the principal _____ herein, shall well
and truly perform all the conditions set up and prescribed in the said lease and
contract hereto attached, in all and every part thereof, then this bond shall be
considered satisfied and discharged; otherwise it shall have full force and effect.

Port Washington Properties, Inc.

Approved for general use:

Date _____

Assistant Attorney General

Insurance Commissioner's Approval:

(Surety's Seal)

Signature: Principal
Title _____

Mailing Address

Surety

Hartford Accident & Indemnity Company

Mailing Address

P.O. Box C34201, Seattle, WA 98124

Signature: Attorney-in-Fact

Signature: Resident Agent Robert M. Carlton

Agency

Corroon & Black, Inc.

Mailing Address P.O. Box C34201, Seattle, WA 98124

1 case online 1901

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Brian J. Boyle
Commissioner of Public Lands
Olympia, WA 98504

Amendment to Lease No. HA-2399

WHEREAS, the Lessee, has requested an extension of Lease No. HA-2399 to coincide with adjoining leases, in order to obtain financing for the construction of a marina; it is, therefore,

AGREED:

- 1) The expiration date of Harbor Area Lease No. 2399 is hereby changed from May 7, 1986, to November 1, 2004.
- 2) The rate of return noted in Section 3.1 Rental, of said agreement is hereby changed from 6 percent to 10 (ten) percent of the full and true value of the harbor area.
- 3) All other terms and conditions of said lease shall not be affected by these amendments.

The Lessee expressly agrees to all covenants herein and binds himself for any payments hereinbefore specified.

Executed this 23rd day of May, A.D. 1983.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

James A. Stearns
JAMES A. STEARNS, Supervisor
Department of Natural Resources

Signed this 13th day of May, A.D. 1983.
(b) (6)

Poulsbo, WA 98370

App. No. HA-2399
0101250

PROOF READ 17
12/1/83
5/1/83

RECEIVED
FEB 22 1977

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Bert L. Cole
Commissioner of Public Lands
Olympia, Washington 98504

COMMISSIONER OF PUBLIC LANDS

HARBOR AREA LEASE NO. MA2399

BY THIS LEASE, by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, hereinafter called the Lessor and (b) (6) hereinafter called the Lessee, the Lessor leases to the Lessee on the terms and conditions as hereinafter set forth, the following described harbor area situate in Kitsap County, Washington, to wit:

That portion of the harbor area lying in front of Lot 6, Section 11, Township 24 North, Range 1 East, W.M., between the easterly line of Waterway No. 4 and the east line of Lot 6 of said Section 11, produced northerly across the harbor area to the outer harbor line, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

State of Washington
County of Thurston

} ss

I, Sandra S. Clancy, acting as Records Officer for BRIAN J. BOYLE, Commissioner of Public Lands of the State of Washington, and as officer Administrator of the Department of Natural Resources for the State of Washington, do hereby certify that the annexed and foregoing (are) true and correct (copies) of the original (s) thereof on file in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Commissioner of Public Lands, this 15th day of January A.D. 1983.

Sandra S. Clancy
Records Officer
Department of Natural Resources

SECTION 1 OCCUPANCY

1.1 Term. This lease shall commence on the 7th day of May, 1976 and continue to the 7th day of May, 1986.

SECTION 2 USE OF PREMISES

2.1 Permitted Use. The Lessee shall have use of the leased premises for the purposes of building and maintaining wharves, docks and other structures for the convenience of navigation and commerce as shown on the exhibits approved by the Lessor and on file in the office of the Lessor.

SECTION 3 PAYMENT

3.1 Rental. Annual rental in the amount of \$ 270.00, which represents 6 percent of the full and true value of the harbor area herein described as determined by the Lessor, in accordance with the provisions of Chapter 97, Laws of 1969, First Extraordinary Session, or as amended by subsequent legislation.

3.2 Payment. The payment of the rental fixed to the Lessor each year in advance, is the essence of this lease, and the same shall be, and is a condition precedent to the execution and continuance of this lease or any rights thereunder. Payment is to be made to the Department of Natural Resources, Olympia, Washington 98504.

FORM RES 75-1809 (06-76)

HARBOR AREA LEASE BOND NO. 5055388

STATE OF WASHINGTON)
) ss
County of Kitsap)

We, Port Washington Properties, Inc.

of _____, as principal _____, and we, Hartford Accident
Indemnity Company

as sureties, all of the State of Washington, County of King, do
confess ourselves indebted to the State of Washington in the penal sum of One

Thousand and No/100----- Dollars, and to
the payment of which we are held and firmly bound, and do by these presents bind
ourselves, our and each of our heirs, executors, administrators or assigns, jointly
and severally, firmly by these presents.

Sealed with our seals this 13th day of June A.D., 19 83

The condition of the above obligation is such that, Whereas, the principal _____,
in the foregoing bond did enter into a certain lease and contract No. HA2396
with the State of Washington (which is hereto attached and made part of this
instrument), whereby the above bounden principal _____ has leased from the State of
Washington the part, lot or parcel of property described in said hereto attached lease
and contract, upon all the conditions set up in said lease and contract; Now,
therefore, if the said above named lessee _____, the principal _____ herein, shall well
and truly perform all the conditions set up and prescribed in the said lease and
contract hereto attached, in all and every part thereof, then this bond shall be
considered satisfied and discharged; otherwise it shall have full force and effect.

Port Washington Properties, Inc.

Approved for general use:

Date _____

Signature: Principal
Title _____

Assistant Attorney General

Mailing Address

Insurance Commissioner's Approval:

Surety
Hartford Accident & Indemnity Company

Mailing Address

P.O. Box C34201, Seattle, WA 98124

Signature: Attorney-in-Fact

Signature: Resident Agent Robert M. Carlton

(Surety's Seal)

Agency

Corroon & Black, Inc.

Mailing Address P.O. Box C34201, Seattle, WA 98124

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Bert L. Cole
Commissioner of Public Lands
Olympia, Washington 98504

RECEIVED
JAN 11 1977
COMMISSIONER OF PUBLIC LANDS
No _____

HARBOR AREA LEASE NO. HA2396

BY THIS LEASE, by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, hereinafter called the Lessor and SEA GATE, INC., hereinafter called the Lessee, the Lessor leases to the Lessee on the terms and conditions as hereinafter set forth, the following described harbor area situate in Kitsap County, Washington, to wit:

That portion of the harbor area lying in front of Lot 7, Section 11, Township 24 North, Range 1 East, W.M., described by metes and bounds as follows:
Commencing at the intersection of the west line of Lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence N 16° E 215 feet, more or less, to the outer harbor line, thence N 74° W along said outer harbor line 450 feet to the true point of beginning, thence S 16° W 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said Lot 7, thence northerly along the west line of said Lot 7, produced, to the outer harbor line, thence S 74° E along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

State of Washington } ss
County of Thurston }

I, Sandra S. Clancy, acting as Records Officer for
BRIAN J. BOYLE, Commissioner of Public Lands,
State of Washington, and as official Administrative
Department of Natural Resources for the
Washington, do hereby certify that the
foregoing ~~is~~ are true and correct
the original (s) thereof on file in this office.

IN TESTIMONY WHEREOF, I have hereunto
hand and affixed the seal of the Commissioner of
Lands, this 13th day of June, A.D. 1973

SECTION 1 OCCUPANCY

1.1 Term. This lease shall commence on the 1st day of November, 19 76 and continue to the 1st day of November, 20 04.

SECTION 2 USE OF PREMISES

2.1 Permitted Use. The Lessee shall have use of the leased premises for the purposes of building and maintaining wharves, docks and other structures for the convenience of navigation and commerce as shown on the exhibits approved by the Lessor and on file in the office of the Lessor.

SECTION 3 PAYMENT

3.1 Rental. Annual rental in the amount of \$ 474.00, which represents 6 percent of the full and true value of the harbor area herein described as determined by the Lessor, in accordance with the provisions of Chapter 97, Laws of 1969, First Extraordinary Session, or as amended by subsequent legislation.

3.2 Payment. The payment of the rental fixed to the Lessor each year in advance, is the essence of this lease, and the same shall be, and is a condition precedent to the execution and continuance of this lease or any rights thereunder. Payment is to be made to the Department of Natural Resources, Olympia, Washington 98504.

FORM RES 75-1809 (06-76)

RECEIVED

JUL 9 1987

JOHN M. DAVIS JR.

6312290194

8

ASSIGNMENT
OF
HARBOR AREA LEASES

FILED FOR RECORD
REC. OFFICER TITLE INSURANCE

1983 DEC 29 PM 3:09

SHERIFF HUFF
KITAP COUNTY CLERK
DEPUTY *el*

THIS ASSIGNMENT is made and executed this 1st day of November, 1983, by and between PORT WASHINGTON PROPERTIES, INC., a Washington corporation (hereafter referred to as "Assignor") and PORT WASHINGTON MARINA CONDOMINIUM OWNERS ASSOCIATION, a Washington non-profit corporation, (hereafter referred to as "Assignee").

RECITALS

A. Assignor is the lessee pursuant to Harbor Area Leases (more particularly described in Exhibit A-1 attached hereto), (the "DNR Lease" collectively herein).

B. Assignee will act as Declarant of the PORT WASHINGTON MARINA CONDOMINIUM (hereafter referred to as "Condominium"), a leasehold condominium to be located in the leasehold estate created by the DNR Lease as shown on the Survey Map and Plans of said Condominium to be recorded in Kitsap County, Washington. Recording information concerning the Declaration for said Condominium and the Survey Map and Plans shall be added to Exhibit A-1 attached hereto upon recordation.

C. Assignee will be conveying leasehold interests in the individual Condominium Moorage Slips to numerous individuals (hereafter "Moorage Slip Owners") pursuant to "Moorage Slip Subleases".

D. The Department of Natural Resources (hereafter "DNR") is desirous of having a lease relationship with one Master Lessee rather than having multiple lease relationships with Moorage Slip Owners.

E. Assignee has been created as a non-profit corporation which serves as the Owners Association of the Condominium and has as its members all of the Moorage Slip Owners.

F. The parties desire by this Assignment to create an assignment under which the Assignee becomes a Master Lessee for all purposes relating to the DNR Lease.

G. In connection with the foregoing, DNR has on the date hereof executed a Consent to Assignment and Approval of General Sublease Forms ("Consent to Assignment").

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297: 535

DNR-00018555

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants hereafter provided, the parties mutually agree as follows:

1. Consent to Assignment

Subject to the terms and conditions contained in the DNR Lease, the Consent to Assignment, the Declaration of Condominium, and Survey Map and Plans, as they are now or may hereafter be amended, Assignor hereby assigns and transfers to Assignee the DNR Lease.

2. Master Lessee

Assignee shall be the Master Lessee with regard to the DNR Lease and as Master Lessee shall be the sole and only party which has any right to deal with the DNR as to any matters arising out of the DNR Lease.

3. Moorage Slip Subleases

Assignee shall have the right to convey leasehold estates in Condominium Moorage Slips of the Port Washington Marina Condominium through Moorage Slip Subleases. Nothing in this Assignment shall preclude any such Moorage Slip Subleases, although they shall be made pursuant to this Assignment and Consent to Assignment which establishes Assignee as Master Lessee.

4. Performance of DNR Lease

Assignee shall be responsible for performance of all the Lessee's obligations which arise under the DNR Lease, including, but not limited to fulfilling all of the terms and conditions of the Lease, regardless of Moorage Slip Subleases made by Assignor. Such obligations for assuring performance of Lessee's obligations shall include the duty to assure that Moorage Slip Owners comply with lease obligations. DNR shall be permitted to enforce all the provisions of the Lease directly against Assignee without any obligation to proceed in any manner against Moorage Slip Owners even if failure to perform Lease obligations is the result of individual Moorage Slip Owners' actions or omissions.

5. Individual Claims

Moorage Slip Owners shall be required to assert individual claims, if any, that they may have against DNR arising from the DNR Lease through Assignee as Master Lessee. Assignee agrees to accept all assignments of individual claims, if any, that Moorage Slip Owners may hereafter assert against the DNR arising from the DNR Lease and to assert them as Master Lessee. Nothing in this assignment shall be construed to imply that Moorage Slip Owners have any rights against DNR.

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6. DNR Lease Payment

Without restricting the generality of the foregoing, in its capacity as Master Lessee and as the Owners Association of the Condominium, Assignee agrees to levy and collect, pursuant to the Declaration of Condominium, all sums required to maintain the DNR Lease in a current condition and pay the DNR its lease payment in one lump sum.

7. Effective Date

This Assignment shall be deemed to be effective as of the date upon which said Condominium Declaration is filed with the Kitsap County Auditor.

8. Binding Effect

The terms and agreements contained herein shall be binding upon the successors and assigns of the parties hereto.

9. Building Apartments

In addition to boat Moorage Slips, the subject Condominium will also contain two (2) or more Building Apartments (that is, leasehold Condominium Apartments located within a building structure). It is understood and agreed that all of the provisions of this document are equally applicable to Building Apartments to the same extent as if the words "Building Apartment(s)" had been used in lieu of "Moorage Slip(s)".

ASSIGNOR:

PORT WASHINGTON PROPERTIES, INC.

By: [Signature]

Its: [Signature]

By: _____

Its: _____

ASSIGNEE:

PORT WASHINGTON MARINA
CONDOMINIUM ASSOCIATION

By: [Signature]

Its: [Signature]

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297: 537

STATE OF WASHINGTON

County of KING

On this 1st day of December, A. D. 1983, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Mark L. Cieven and _____ to me known to be the _____ President and _____ Secretary, respectively, of PORT WASHINGTON PROPERTIES, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Theresa C. Jones
Notary Public in and for the State of Washington
residing at Port Orchard

(Acknowledgment by Corporation. Pioneer National Title Insurance Co Form L 29)

STATE OF WASHINGTON

County of KING

On this 1st day of December, A. D. 1983, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn personally appeared Mark L. Cieven and _____ to me known to be the _____ President and _____ Secretary, respectively, of PORT WASHINGTON MARINA CONTINUING OWNERS ASSOCIATION, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Theresa C. Jones
Notary Public in and for the State of Washington
residing at Port Orchard

(Acknowledgment by Corporation. Pioneer National Title Insurance Co Form L 29)

8312290194

not 29/11/83 538

EXHIBIT "A-1"

Harbor Area Lease Descriptions
(Page 1).

PARCEL B:

that certain Harbor Area Lease No. 2332 (and all amendments, renewals and extensions thereof) under Kitsap County Auditor's File No. 8306200099 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the harbor area situate in front of Government Lot 7, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington; included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence along said inner harbor line, north 75°43'57.8" west 112 feet, thence north 53°38'00" west 148.126 feet, thence north 74°55'00" west, 193 feet, thence north 16°00'00" east across the harbor area 195 feet to a point on the outer harbor line, thence south 74°00'00" east along said outer harbor line 450 feet to a point which bears north 16°00'00" east from the point of beginning and then south 16°00'00" west, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2332

Parcel C:

that certain Harbor Area Lease No. 2396 (and all amendments, renewals and extensions thereof) under Kitsap County Auditor's File No. 8166700098 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the harbor area lying in front of Lot 7, section 11, township 24 north, range 1 east, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of lot 15, Bay View Garden Tracts, (Lot 11 of Supplemental Plat of Bay View Garden Tracts) with the inner harbor line and running thence north 16° east 215 feet, more or less, to the outer harbor line, thence north 74° west along said outer harbor line 450 feet to the true point of beginning, thence south 16° west 195 feet, more or less, to the inner harbor line, thence westerly along said inner harbor line to the west line of said lot 7, thence northerly along the west line of said lot 7, produced, to the outer harbor line, thence south 74° east along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington. Also known as leasehold 2396

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4-297- 539

EXHIBIT "A-1"

Harbor Area Lease Descriptions
(Page 2)

PARCEL D:

that certain Harbor Area Lease No. 2399 (and all amendments, renewals and extensions thereof) recorded under Kitsap County Auditor's File No. 5306200110 (one of the leases constituting a "DNR Lease"); and, pursuant to said Lease, the following described property:

That portion of the Harbor area lying in front of lot 6, section 11, township 24 north, range 1 east, W.M., in Kitsap County, Washington, between the easterly line of waterway number 4 and the east line of lot 6 of said section 11, produced northerly across the harbor area to the outer harbor line. Also known as leasehold A-2399.

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DEDICATION

I do hereby certify that the undersigned, because of the property hereby placed, hereby declares this plat and dedicates the same for public use.

This plat or any portion thereof shall be registered by the terms of the declaration filed under Kitsap County Auditor's file no. 114-124-124 and recorded in book 114-124-124, of official records in Volume 114-124-124, records of Kitsap County, Washington.

WITNESSED my hand and official seal this 1st day of December, 1973.

[Signature]
KIM L. CLARK, Auditor

ACKNOWLEDGMENT

STATE OF WASHINGTON
COUNTY OF KITAP

This is to certify that on the 29th day of December, 1973, A.D., before me, the undersigned, a Notary Public, personally appeared Mark L. Cliven, President of Port Washington Marina Condominium, Inc., a Washington Corporation, to me known to be the individual who executed the within dedication and acknowledged to me that he signed and sealed the same as his voluntary act and deed for the uses and purposes therein mentioned and on oath stated that he is authorized to execute said instrument on behalf of said corporation and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal the day and year first above written.



[Signature]
Notary Public in and for the
State of Washington
Residing at Seattle, WA

SURVEYOR'S VERIFICATION

STATE OF WASHINGTON
COUNTY OF KITAP

This is to certify and verify that this plat of "Port Washington Marina Condominium" accurately depicts the layout, number, dimensions and location of said building as built.



[Signature]
Fred L. Maltz
Professional Land Surveyor
Certificate No. 4811

Subscribed and sworn to before me this 1st day of December, 1973.



[Signature]
Notary Public in and for the
State of Washington
Residing at Seattle, WA

RECORDING CERTIFICATE

Filed for record at the request of Port Washington Marina Condominium, Inc. on this 29th day of December, 1973, A.D., at 11:45 minutes past 11 A.M. and recorded in Volume 114-124-124 of Condominiums, pages 114-124-124, records of Kitsap County, Washington.

[Signature]
Kitsap County Auditor

[Signature]
Deputy

LEGAL DESCRIPTION

That portion of the harbor area situated in front of Government Lot 7, Section 11, T24N, R12E, W.M., in Kitsap County, Washington, included in a tract described as follows: Beginning at a point on the inner harbor line, said point also being the northeast corner of Lot 11, Subsequent plat of May View Garden Tracts; a record that in said Government Lot 7 and running thence along said inner harbor line, N75°41'57.94" E, 112.00 feet; thence S17°02'00.00" E, 147.126 feet; thence S75°55'00.00" E, 112.00 feet; thence S17°02'00.00" E, 147.126 feet; the harbor area is 112.71 feet to a point on the outer harbor line; thence S75°55'00.00" E, 112.00 feet; along said outer harbor line 112.00 feet to a point which bears S17°02'00.00" E from the point of beginning and then S17°02'00.00" E, 112.00 feet, across the harbor area to the point of beginning as shown on the official map of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington, also known as Leasehold No. 114-124-124.

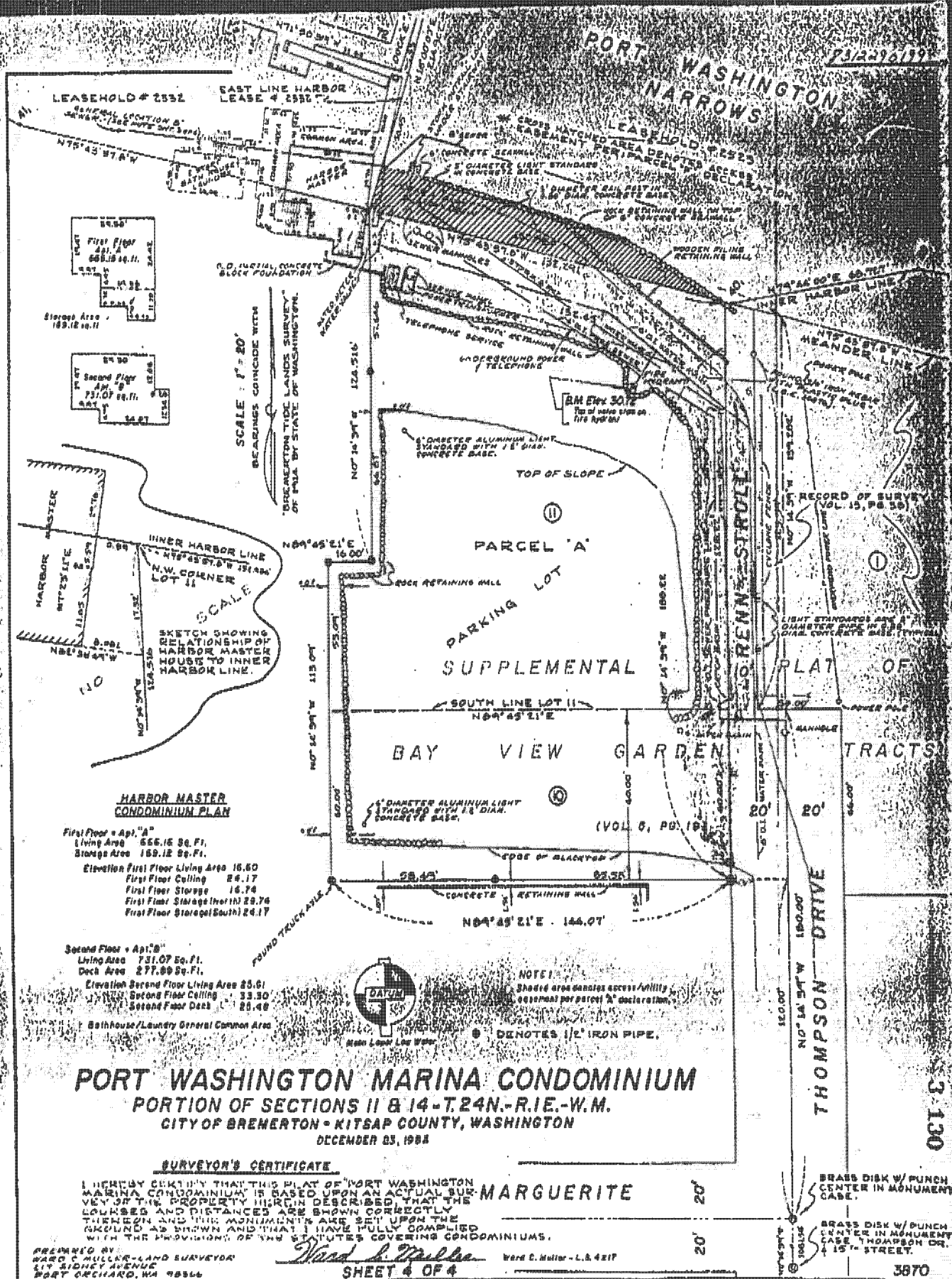
That portion of the harbor area lying in front of Lot 7, Section 11, T24N, R12E, W.M., described by letters and bounds as follows:

Beginning at the intersection of the east line of Lot 11, May View Garden Tracts, (Lot 11) of Copeland's plat of May View Garden Tracts with the inner harbor line and running thence S17°02'00.00" E, 112.00 feet; east or less, to the outer harbor line; thence S75°55'00.00" E, 112.00 feet; along said outer harbor line 112.00 feet to the true point of beginning; thence S17°02'00.00" E, 112.00 feet; east or less, to the inner harbor line; thence westerly along said inner harbor line to the east line of said Lot 7; thence northerly along the east line of said Lot 7, thence westerly along the outer harbor line; thence S75°55'00.00" E, 112.00 feet; along said outer harbor line 112.00 feet; east or less, to the true point of beginning as shown on the official map of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington, also known as Leasehold No. 114-124-124.

That portion of the harbor area lying in front of Lot 7, Section 11, T24N, R12E, W.M., in Kitsap County, Washington, bounded by the westerly line of waterway number 4 and the East line of Lot 7 of said Section 11, situated northerly across the harbor area to the outer harbor line. Also known as Leasehold No. 114-124-124.

PORT WASHINGTON MARINA CONDOMINIUM
PORTION OF SECTIONS 11 & 14-T24N-R12E-W.M.
CITY OF BREMERTON - KITSAP COUNTY, WASHINGTON

SHEET 1 OF 4



WARD C. MILLER - LAND SURVEYOR
217 SIDNEY AVENUE
PORT CHARLTON, VA. 22136

PORT WASHINGTON MARINA CONDOMINIUM

AS BUILT FACILITY - DOCKS A,B,C,D & E

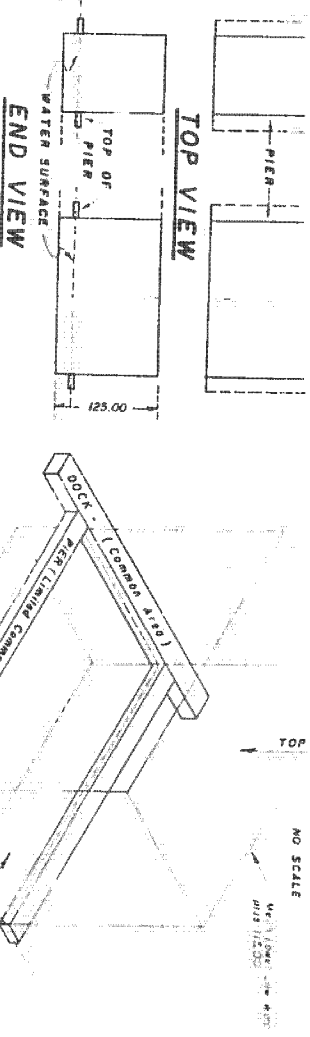
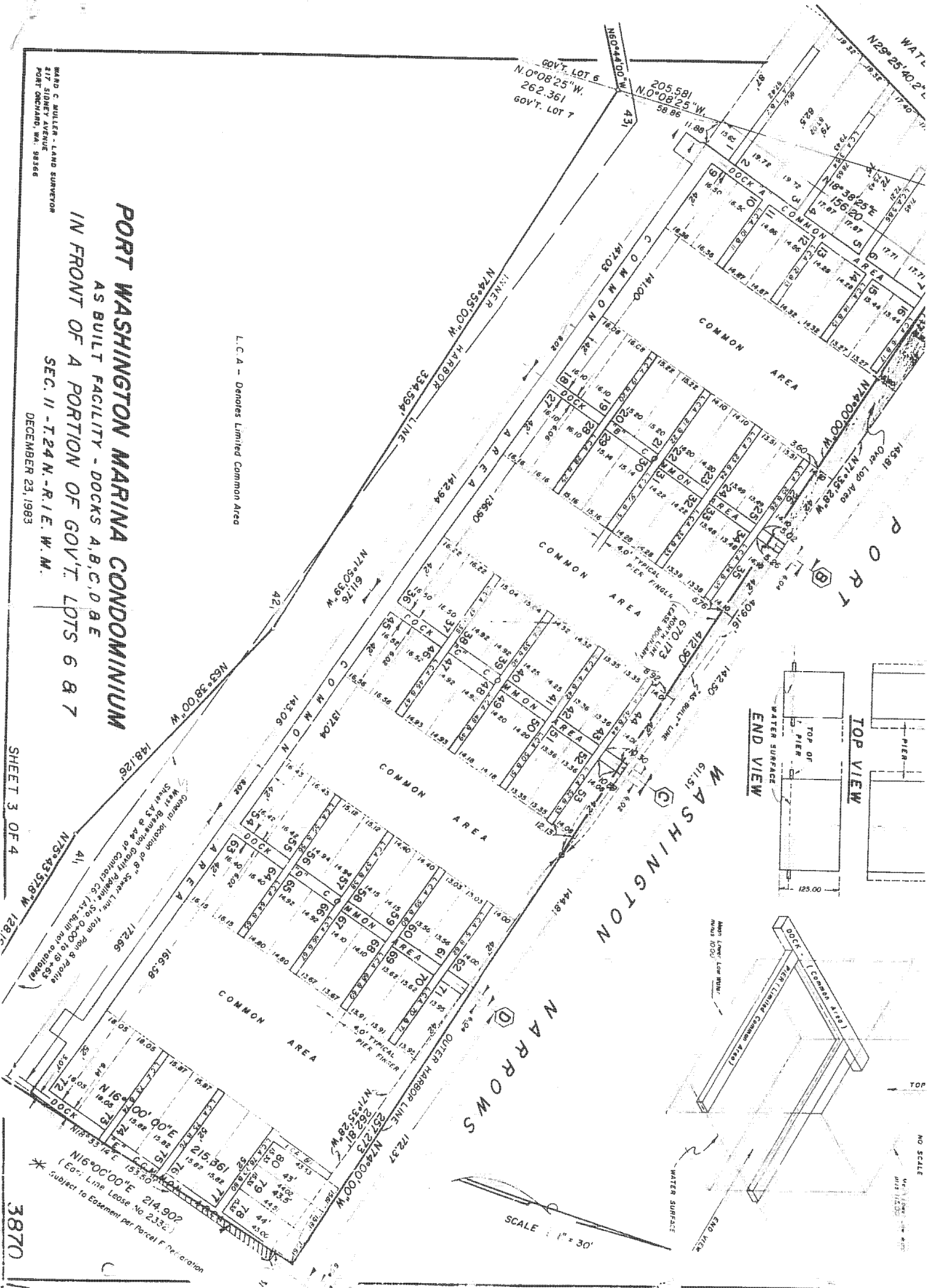
IN FRONT OF A PORTION OF GOV'T. LOTS 6 & 7

SEC. II - T.24 N. - R.1 E. W. M.

DECEMBER 23, 1983

SHEET 3 OF 4

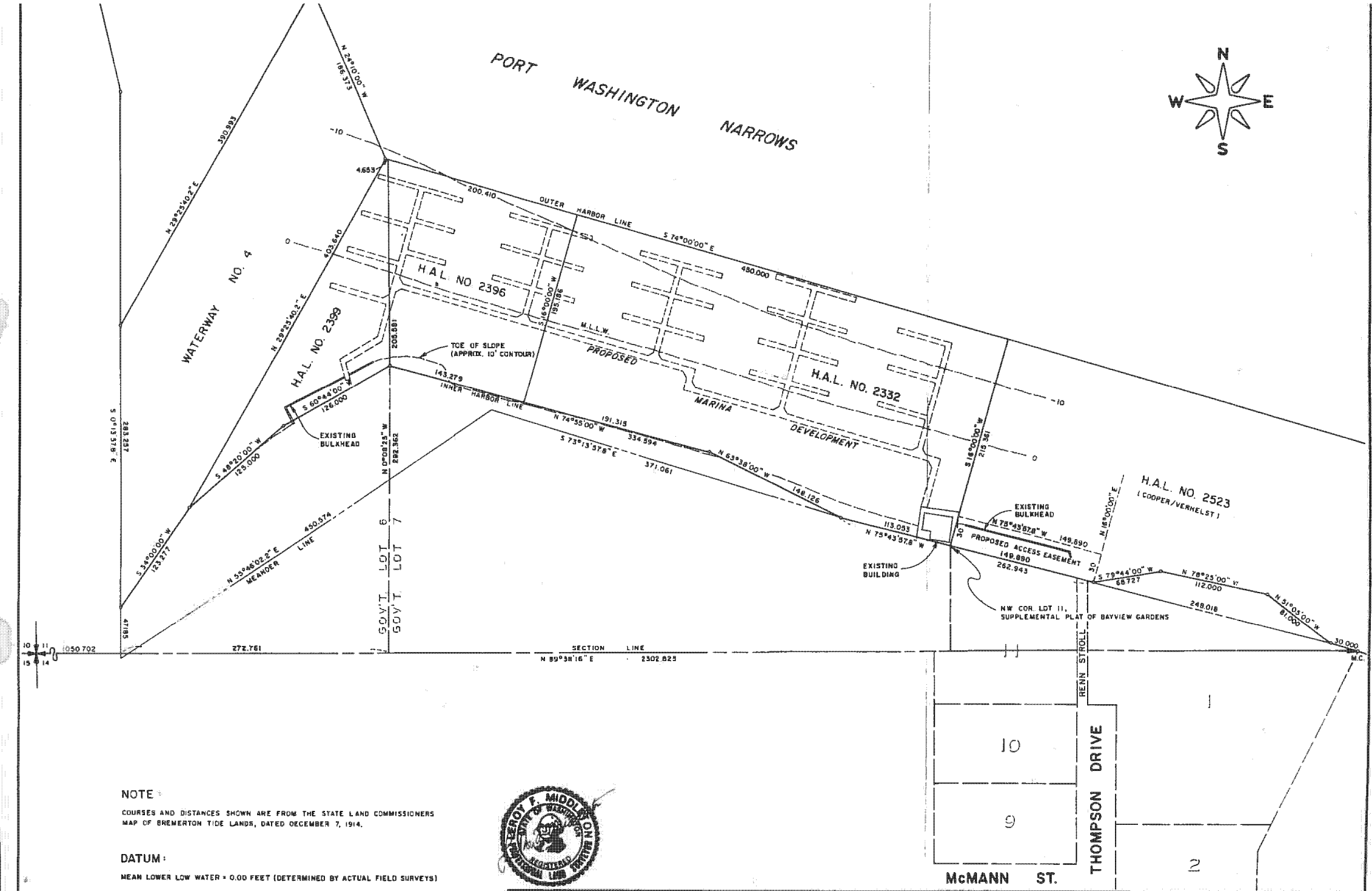
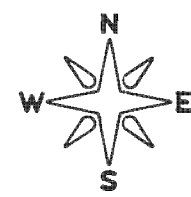
L.C.A. - Denotes Limited Common Area



* Subject to Easement per Parcel F Declaration
N16°00'00\"/>

3870

PORT WASHINGTON NARROWS



NOTE:
COURSES AND DISTANCES SHOWN ARE FROM THE STATE LAND COMMISSIONERS MAP OF BREMER TIDE LANDS, DATED DECEMBER 7, 1914.

DATUM:
MEAN LOWER LOW WATER + 0.00 FEET (DETERMINED BY ACTUAL FIELD SURVEYS)



"EXHIBIT A"
SHOWING LEASE AREAS
PORT WASHINGTON, INC.
IN THE HARBOR AREA NORTH OF GOV'T. LOTS 6 & 7, SEC. 11, T. 24 N., R. 1 E., W.M.

Reid, Middleton & Associates, Inc.
ENGINEERS • SURVEYORS • PLANNERS
121 5TH AVE. N., EDMONDS, WASHINGTON

DRAWN	CHECKED	DATE	FIELD BOOK	SCALE	FILE NO.
					89-02-005-10

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT L. COLE, Commissioner of Public Lands

Date June 1, 1981

STATE OF WASHINGTON LOAN SECURITY AGREEMENT

State Lease(s) pledged for loan security is (are) covered by Application Number(s)

H A 2396 and HA 2332

is (are) held by

Sea Gate, Inc.

For use as security on loan dated June 1, 1981

Legal description of premises that portion of harbor

Section 11 Township 24 N., Range 1 East, W.M.

Mortgage Loan No. 0001, Term of Loan 3 yrs., Amount of Loan 103,400.00

A. The Mortgagee and Mortgagor agree to the following conditions pertaining to the covenants of the State lease(s):

1. Billing statement, notice of default, if any, and all other notice will be mailed to Mortgagor.
2. Copies of billing statement, copies of notice of default, if any, and all other notice will be mailed to Mortgagee.
3. Copies of all statements, notice of default, if any, and correspondence will be sent to the appropriate Department of Natural Resources field office responsible for the lease(s) covered by this agreement.
4. If control of the mortgage covered by this agreement for loan security shall be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the mortgage by the Mortgagee, such change shall require written notice to the Department of Natural Resources.

The Mortgagee and Mortgagor further agree that the State shall be notified of any default, potential default, or any action which may have an adverse effect on the loan agreement.

B. The records on file in the office of the Department of Natural Resources have been noted for the loan security; and further, the State of Washington, Department of Natural Resources, agrees to:

1. Notify the Mortgagee, in addition to the Mortgagor, of any failure of the lessee to meet the terms and conditions of the lease(s). On receipt of such notice the Mortgagee may:
 - a. Correct the terms and conditions of the lease(s) within thirty (30) days of notice.
 - b. Take no action which may result in forfeiture of the lease(s).
2. Notify the Mortgagee of any request by the Mortgagor for transfer assignment, or encumbrance of the above-described tract during the period of this agreement.
3. Recognize the loan security assignment, Exhibit A, attached, and by this reference made a part hereto, and transfer of the lease(s) to the Mortgagee by the filing, by the Mortgagee, of either of the following:

- a. Voluntary surrender of all rights to the lease(s) in favor of the Mortgagee, or
- b. Court Order ordering the transfer of the lease(s) to the Mortgagee.

C. It is agreed by all parties:

1. Should the lease(s) be transferred under the conditions set forth in Section B. 3. a and b to the Mortgagee, the Mortgagee shall become obligated to all the provisions of the lease(s) and the obligations and performances required therein, including security and deposits.
2. Should the State's lessee (Mortgagor) default on the lease(s) the State reserves the first right for claim against any performance bonds, either cash or through a bonding company to collect whatever amount is due the State whether the lease(s) is forfeited or taken over by the Mortgagee. However, the Mortgagee may pay those amounts due to the State preventing a claim being filed against the performance bonds.
3. Execution of this agreement by the State does not waive any rights to insist upon strict performance of the terms of the lease(s) or any other right the State may have.

Mortgagee Sea Gate, Inc. Secretary
 Address 258 4th St.
Bremerton, WA 98310

Mortgagor Sea Brim, Inc. Secretary
 Address 202 Pacific Ave.
Bremerton, WA 98310

Consent given this 10th day of September, A.D., 19 81

STATE OF WASHINGTON
 DEPARTMENT OF NATURAL RESOURCES

BERT L. COLE
 Commissioner of Public Lands

By Frank Hansen
 Title Lease Manager

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BERT L. COLE, Commissioner of Public Lands

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing. The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment - LOAN SECURITY

For and in consideration of the sum of One Hundred Three Thousand Four Hundred Dollars the hereinafter named assignor a hereby assign set over and transfer all of his or their right, title, and interest in and to that portion of the lease or contract No HA2396&HA2332 herein described:

unto: Sea Gate, Inc.

whose address is: 400 Washington 258 4th St
(P. O. Box - Route - Street)

Bremerton WA 98310, and said assignee hereby binds and
(City) (State) (Zip Code)
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

That portion of the harbor area situate in front of Government Lot 7, Section 11, Township 24 North, Range 1 East, W.M., included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of Lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence, along said inner harbor line, N 75° 43' 57.8" W 112 feet, thence N 63° 38' 00" W 148.126 feet, thence N 74° 55' 00" W, 193 feet, thence N 16° 00' 00" E across the harbor area 195 feet to a point on the outer harbor line, thence S 74° 00' 00" E along said outer harbor line 450 feet to a point which bears N 16° 00' 00" E from the point of beginning as shown on the official maps of the harbor area, to the point of beginning as shown on the official maps of

That portion of the harbor area lying in front of Lot 7, Section 11, Township 24 North, Range 1 East, W.M., described by metes and bounds as follows:
Commencing at the intersection of the west line of Lot 15, Bay View Garden Tract (Lot 11 of Supplement Plat of Bay View Garden Tracts) with the inner harbor line and running thence N 16° E 215 feet, more or less, to the outer harbor line, thence N 74° W along said outer harbor line 450 feet to the true point of beginning; thence S 16° W 195 feet, more or less, to the inner harbor line, thence northerly along said inner harbor line to the west line of said Lot 7, thence northerly along the west line of said Lot 7, produced, to the outer harbor line, thence S 74° E along said outer harbor line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Dated this 1st day of June, A.D. 19 81

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Brian J. Boyle
Commissioner of Public Lands

Sea Gate, Inc.

Sea Gate, Inc.

Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BERT L. COLE, Commissioner of Public Lands

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing.
The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment - LOAN SECURITY

For and in consideration of the sum of One Hundred Three Thousand Four Hundred Dollars
the hereinafter named assignor a hereby assign set over and transfer all of his or their right,
title, and interest in and to that portion of the lease or contract No HA2396 & HA2332 herein described:

unto: Sea Gate, Inc.

whose address is: 400 Washington 258 4th St
(P. O. Box - Route - Street)

Bremerton WA 98310, and said assignee hereby binds and
(City) (State) (Zip Code)
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

That portion of the harbor area situate in front of Government Lot 7,
Section 11, Township 24 North, Range 1 East, W.M., included in a tract described
as follows:

Beginning at a point on the inner harbor line, said point also being the
northwest corner of Lot 11, Supplemental Plat of Bay View Gardens, a recorded plat
in said Government Lot 7 and running thence, along said inner harbor line,
N 75° 43' 57.8" W 112 feet, thence N 63° 38' 00" W 148.126 feet, thence N 74° 55' 00" W,
193 feet, thence N 16° 00' 00" E across the harbor area 195 feet to a point on the
outer harbor line, thence S 74° 00' 00" E along said outer harbor line 450 feet to a
point which bears N 16° 00' 00" E from the point of beginning and then S 16° 00' 00" W,
cross the harbor area, to the point of beginning as shown on the official maps of
Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at
Olympia, Washington.

Dated this 1st day

of June, A.D. 19 81

Approval of this assignment by the Department is
in discharge of the assignor or his surety from
all liabilities, obligations, or duties incurred
prior to the contract or lease prior to the date of
this assignment.

Assignment Approved: for Loan Security

as set forth in Agreement dated 9-10-81

Date Sept. 14, 1981

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Brian J. Boyle
Commissioner of Public Lands

Sea Brim, Inc.

Assignor

Sea Brim, Inc.

Assignor

Sea Gate, Inc.

Assignee

Sea Gate, Inc.

Assignee

EXHIBIT "A"

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT
(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON, }
County of Kitsap } ss.

On this day personally appeared before me Terry L. Durst and Glenn R. Davis

_____ to me known to be the individual(s) described in and who executed the
within and foregoing instrument, and acknowledged that _____ they
signed the same as their free and voluntary act and deed, for the uses and purposes therein
mentioned.

Given under my hand and official seal this 1st day of June, 19 81

Betty A. Kero
Notary Public in and for the State of Washington,
residing at Seattle

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNOR**
County of Kitsap } ss.

On this 1st day of June, 19 81, before me personally appeared

to me known to be the President and Secretary
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand and official seal this 1st day of June, 19 81

Betty A. Kero
Notary Public in and for the State of Washington,
residing at Seattle

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON, } **ASSIGNEE**
County of Kitsap } ss.

On this 1st day of June, 19 81, before me personally appeared

Frank Whitman and Jack Cyr, Jr.

to me known to be the President and Secretary
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand and official seal this 1st day of June, 19 81

Edith M. Martine
Notary Public in and for the State of Washington,
residing at Bremerton

ASSIGNMENT

For and in consideration of the sum of Twenty Thousand Dollars and no/100ths--
(\$ 20,000.00) Dollars, the within lessee hereby assigns, set over and transfer all of
his or their right, title and interest in and to the within lease No. HA 2332 unto
SEA-GATE, INC. of Bremerton, Washington, and said
assignee hereby binds and obligates himself (or themselves) to perform all the conditions and cove-
nants of said lease.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 15th day of
JUNE, A. D. 1976 (b) (6)

Witnesses

[SEAL]
Assignor.

[SEAL]
Assignor.

[SEAL]
Assignee.

[SEAL]
Assignee.

X *[Signature]*

PRESIDENT

Jack C. J.

Secretary

ASSIGNOR'S ACKNOWLEDGMENT

(If a corporation, use the form below.)

STATE OF WASHINGTON, County of Kitsap, ss.

I do hereby certify that on this 1st day of June, 1976, personally
appeared before me (b) (6)

to me known to be the individual described in, and who executed the within instrument, and ac-
knowledged that she signed and sealed the same as her free and voluntary act and deed for the
uses and purposes therein mentioned.

Given under my hand and notarial seal the day and year in this certificate first above written.

[Signature]

Notary Public in and for the State of Washington,

Bremerton

Residing at

CORPORATE ACKNOWLEDGMENT

ss.

of Washington, personally appeared

and the said

acknowledged to me then and there, that
as name to the foregoing as assignor,
ntarily and as the free and voluntary

as Secretary of said corporation, then
corporate seal, attested the same and
ily and as and for the free and volun-

lic in and for the State of Washington,

STATE OF WASHINGTON, County of

THIS IS TO CERTIFY, That on this day of
before me, the undersigned, a Notary Public in and for the State
as President and

as Secretary of

the corporation named in the within and foregoing assignment: a

ack
as such President of said corporation, he signed and subscribed in
together with his own name, as its said President, freely and volu
act and deed of said corporation.

And the said
and there acknowledged to me that he affixed to said assignment its
placed thereunto his signature, as its Secretary, freely and voluntar
ary act and deed of said corporation.

Notary Pub

Residing at

TRO 3/8/2014

STATE OF WASHINGTON,
County of Kitsap } ss.

We, Sea Gate, Inc.
of Kitsap County, as principal, and we, (b) (6)
(6)

as sureties, all of the State of Washington, County of King & Kitsap respectively, ourselves
indebted to the State of Washington in the penal sum of ~~One Thousand (\$1,000)~~ Dollars, and to the pay-
ment of which we are held and firmly bound, and do by these presents bind ourselves, our and each of
our heirs, executors, administrators or assigns, jointly and severally, firmly by these presents.

Sealed with our seals this 3/57 day of July, A. D. 1976

The condition of the above obligation is such that, Whereas, the principal, in the foregoing
bond did enter into a certain lease and contract No. HA 2332 with the State of Washington (which
is hereto attached and made a part of this instrument, and all the conditions of which are written into
and made part of this instrument), whereby the above bounden principal has leased from the
State of Washington the part, lot or parcel of property described in said hereto attached lease and con-
tract, upon all the conditions set up in said lease and contract: Now, therefore, if the said above named
lessee, the principal herein, shall well and truly perform all the conditions set up and pre-
scribed in the said lease and contract hereto attached, in all and every part thereof, then this bond shall
be considered satisfied and discharged; otherwise it shall have full force and effect.

Signed with our hands and sealed with our seals, this day and year first above written.

(b) (6)

[SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

[SEAL]

The foregoing bond and the sureties thereon approved this 4th day of August 1976

Burt L. Calby, Donald R. Stephens
Commissioner of Public Lands.

TO BE EXECUTED BY SURETIES ONLY

STATE OF WASHINGTON,
County of Kitsap } ss.

(b) (6)

being first duly sworn, each for himself, and not one for the other, deposes and says: That he is a citi-
zen of the State of Washington and is not barred by any statute of said State from executing bonds or
becoming a surety; that he is one of the persons named in and who executed the foregoing obligation as
surety, and that the same is his free and voluntary act and deed for the uses and purposes therein men-
tioned; that he is worth the sum of \$500.00, over and above all his just debts and liabilities, in separate
property situated in said State, and not exempt from sale on execution.

(b) (6)

Subscribed and sworn to before me this 30th day of July, A. D. 1976

Susan L. Motimer
Notary Public in and for the State of Washington.
Residing at Bremerton

(Assignment and acknowledgment forms on reverse side.)

1 BEFORE THE KITSAP COUNTY HARBOR AREA
2 VALUATION BOARD

3 In Re SEAGATE, INC.,)
4 VALUATION APPEAL - DNR) LESSOR'S STATEMENT OF POSITION
5 HARBOR AREA LEASE NO. 2332)

6 COMES NOW Frank Hansen and submits the following statement
7 regarding the Department of Natural Resources' revaluation of the
8 harbor area in Harbor Area Lease File No. 2332. (Exhibit 1)

9 I am the Harbor Area Land Manager for the Department of
10 Natural Resources, State of Washington. Part of my duties include
11 investigating and appraising state-owned harbor area under the De-
12 partment's leasing program. I also have varied state-wide management
13 responsibilities for those harbor areas.

14 The area under consideration by this Board is the state-owned
15 harbor area lying adjacent to and fronting Government Lot 7, Section
16 11, T24 N, R1 E, W. M., along the Port Washington Narrows. Bremerton,
17 Washington. The subject harbor area was initially leased in April
18 1975 to (b) (6) The subject lease area con-
19 sists of a portion of the bed of the Port Washington Narrows and con-
20 tains 2.12 acres lying inside the harbor area between the inner and
21 outer harbor lines. At that time, the property was valued at \$5,100
22 per acre. The annual rental for the harbor area was assessed in the
23 amount of \$642.60.

24 In August 1976, an assignment of the leased premises from
25 (b) (6) to Seagate, Inc. was approved by the Department.
26 (Exhibit 2)

27 The harbor area is currently improved with a number of
structures, including buildings and moorage and docking facilities.

LESSOR'S STATEMENT
OF POSITION -1

1 Over 50% of the area lies between extreme low tide and the ordinary
2 high tide mark. In other words, the majority of this harbor area
3 tract consists of lands which would otherwise be classified as tide-
4 lands subject to tidal influence but for the harbor area plat and
5 designation. The lessee has shoreward access over the abutting up-
6 lands.

7 By virtue of RCW 79.01.520, the Department is under an obliga-
8 tion to revalue each harbor area every five years during the life of
9 the harbor area lease (in this case, 30 years). The Department
10 must determine the true and fair value in money of such harbor area
11 (exclusive of improvements thereon) which value shall be the value
12 at which the property would be taken in payment of a just debt from
13 a solvent debtor. I revalued the subject harbor area at \$10,000 per
14 acre for a total valuation of \$21,200 for the entire 2.12 acre site.

15 It must be noted, however, that because of the rental increase
16 restrictions provided for at RCW 79.01.525 (enacted Laws of 1979, 1st
17 ex. sess., chap. 97, sec. 2, effective April 30, 1979) the rental
18 rate in this particular case was limited. This law effectively
19 limits the annual rental fee increase to rate of not more than 6%
20 per year, regardless of the reappraised value of the harbor area
21 unless the reappraisal is conducted by an independent fee appraiser
22 who is a member of the Appraisal Institute and designated an M.A.I.
23 or S.R.P.A. or S.R.E.A. and who uses local comparable land values.
24 Therefore, the notice of appeal filed by Seagate, Inc. is partially
25 in error to the extent that the harbor area valuation in the amount
26 of \$21,200 was the base figure used by the Department computing the
27 6% increase under RCW 79.01.525 at least through July 1, 1982. I
28 computed the new rental rate effective through July 1, 1982. In
29 computing the new base rental rate, I took the old base rental rate
30 of \$642.60 per year and multiplied the figure by 6% per year to
31 bring it current to 1979. The new base rental rate was thusly com-
32 puted at \$835 per year. That rate is then applied to each year
33 during the lease term through and including July 1, 1982. RCW

LESSOR'S STATEMENT
OF POSITION -2

79.01.525 expires on July 1, 1982. From that point, the Department will apply its past procedure of assessing rental based upon the true and fair market value of the harbor area. Using the appraised valuation of \$10,000 per acre, I arrived at a total harbor area valuation of \$21,200. I then multiplied that total valuation by 6% to arrive at the annual rental rate of \$1272 per year from July 1, 1982 through November 1984 which is the end of this valuation period.

In this same vein, it should be noted that the new law does not prevent continuing revaluation of the underlying harbor area, but rather only limits the rental increase through July 1, 1982.

In revaluing the harbor area under consideration here, I utilized comparable harbor area and bed leases in the immediate area as well as in the Port Orchard and general Kitsap County area. All of these transactions are arms' length transactions where the lessee has approached the Department and requested a harbor area lease. The values arrived at in the immediate vicinity of the subject harbor area along the Port Washington Narrows are summarized in attached Exhibit 3. The Board should note that the harbor area values in the Point Turner area average about \$14,000 per acre and decrease to a value of about \$10,000 per acre for those harbor areas in the vicinity of the Seagate harbor area lease. In fact, Seagate, Inc. is leasing the harbor area tract immediately adjacent to the subject tract under an assigned lease. The harbor area for that lease was appraised in November 1976 at \$10,000 per acre and Seagate, Inc. accepted that value under the assignment of the lease from its predecessors in interest. I also looked to other harbor area lease and bed lease transactions throughout Kitsap County, especially in the Port Orchard area where I have arms' length transactional evidence supporting values for those areas in excess of \$15,000 per acre.

In re-examining my valuation of this area using a number of different approaches, I am evermore confident of the accuracy and validity of my valuation. RCW 79.01.525 recognizes the validity of using "local comparable land values", i.e., tideland and upland

LESSOR'S STATEMENT
OF POSITION -3

1 comparables to arrive at a base value for the harbor area. I note
2 here that the major portion of the harbor area is tideland. (See
3 Exhibit 3) Tideland comparables in the Kitsap County area indicate
4 an average tideland valuation of about \$20,000 per acre. Applying
5 that value to the 50% of the subject harbor area which constitutes
6 in reality tidelands, and taking the value of \$5,900 per acre placed
7 upon harbor areas in the Port Orchard area, we arrive at a value for
8 the entire subject harbor area of about \$12,900 per acre. This
9 figure is reasonable in light of this Board's prior determination
10 that tideland values are substantially greater than harbor area
11 values because of the greater flexibility of use. In the interests
12 of consistency between these two appeals, and with the wording of
13 RCW 79.01.525, which mandates the use of "local comparable land
14 values", i.e., tideland and upland comparables, this approach in
15 computing the value of the subject harbor area is imminently reason-
16 able. Additionally, it more than supports the value of \$10,000 per
17 acre I initially placed upon this harbor area.

18 I again stress the fact that the values I used indicate
19 arms' length transactions between willing lessees and the Department.
20 Seagate, Inc. took possession of harbor area No. 2399 with full
21 acceptance of the November 1976 valuation of \$10,000 per acre.
22 Additionally, Seagate, Inc. took possession of harbor area 2332
23 which is the subject matter of this appeal with the November 1974
24 valuation of \$5,100 per acre. It certainly appears to me that
25 Seagate, Inc. as a willing lessee has fully accepted as a matter
26 of contract a value of \$10,000 per acre as a reasonable value for
27 the subject harbor area.

28 Finally, I would note that the valuation of \$10,000 per acre
29 for the subject harbor area is totally consistent with the values
30 established for the remaining eleven leases in the immediate
31 Bremerton area lying along the shores of the Port Washington Narrows.
32 Each of those leases involve willing lessees. As indicated above,
33 the values range from \$15,000 per acre at the mouth of the Port

LESSOR'S STATEMENT
OF POSITION -4

1 Washington Narrows to about \$10,000 per acre in the vicinity of the
2 subject harbor area lease. With the exception of the subject harbor
3 area appeal, there have been no other appeals of these values. The
4 fact that these values have been unappealed certainly indicates the
5 willingness of the lessees to accept the values established by the
6 Department. All of these transactions are indeed arms' length trans-
7 actions.

8 In summary, the data available, both for comparable harbor
9 area leases along the Port Washington Narrows, Bremerton, Washington,
10 as well as other harbor area lease transactions and tideland lease
11 and sales transactions in the Port Orchard and Kitsap County area
12 as well as values established state-wide, unequivocally support the
13 Department's valuation of the Seagate, Inc. harbor area. Further,
14 applying tideland values of about \$20,000 per acre established for
15 the Kitsap County area and the \$5,900 value arrived at by this Board
16 for those areas seaward of the extreme low tide within the harbor
17 area for the Port Orchard area, a value of \$12,900 per acre is
18 arrived at. This is in excess of the value I placed initially on
19 the harbor area, i.e., \$10,000 per acre. The valuation is a reason-
20 able and fair value based on other values arrived at in arms' length
21 lease and sales transactions in the immediate and local vicinity and
22 constitutes a fair and equitable valuation of the State's harbor
23 area underlying the Seagate, Inc. harbor area. It is urged that this
24 Board uphold this valuation.

25 DATED this 13th day of February, 1980.

26
27 
28 FRANK HANSEN

29
30
31
32
33 LESSOR'S STATEMENT
OF POSITION -5

NOTICE OF APPEAL

This document shall serve as notice that Sea-Gate, Incorporated intends to appeal the valuation on Harbor Area Lease Nr. 2332 covering harbor area fronting portions of Government Lot 7, Section 11, Township 27 North, Range 1 East, W.M., under Substitute Senate Bill Nr. 2284.

The true and fair value in money of such harbor area (exclusive of the improvements thereon) does not amount to \$21,200.00, which is the figure used by the Department of Natural Resources in computing the 6 percent increase under Substitute Senate Bill Nr. 2284.

Wherefore, Sea-Gate, Incorporated, a Washington corporation doing business in Kitsap County, would petition the Valuation Board, consisting of the County Commissioners, County Treasurer and the County Assessor of Kitsap County be convened in accordance with the provisions of Substitute Senate Bill Nr. 2284 in order to fix "the true and fair value in money of such harbor area (exclusive of the improvements thereon), which value shall be the value at which the property would be taken in payment of a just debt from a solvent debtor".

Notice of the time, place and date of the hearing may be served upon the Secretary of Sea-Gate, Inc. at 258 Fourth Street, Bremerton, Washington 98310.

Sincerely,



Jack Cyr, Jr.
Secretary
Sea-Gate, Inc.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

BERT L. COLE, Commissioner of Public Lands

Olympia, Washington 98504

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing.
The original lease or contract must be submitted along with three (3) copies of this assignment form and a \$5.00 fee.

Lease Assignment

For and in consideration of the sum of _____
the hereinafter named assignor _____ hereby assign \$ set \$ over and transfer \$ all of his or their right,
title, and interest in and to that portion of the lease or contract No. HA2332 herein described:
Front portion Government Lot 7, Section 11, Township 24 North, Range 1 East, W.M.

INVOLUNTARY ASSIGNMENT

"ORDER REDUCING LIEN TO JUDGMENT No. 61772" In the Superior Court of the State of
Washington for Kitsap County, (b) (6), respondent.

unto: (b) (6)
whose address is: (b) (6)
(P. O. Box - Route - Street)
Bremerton Washington 98310, and said assignee hereby binds and
(City) (State) (Zip Code)
obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.

In the event the assignee is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the assignee by the person or persons now owning a majority of the corporate shares, such change shall be deemed an assignment of this lease, which, to become legally effective, requires the prior written approval of the Department of Natural Resources.

Approval of this assignment by the Department is not a discharge of the assignor or his surety from any or all liabilities, obligations, or duties incurred under the contract or lease prior to the date of consent of this assignment.

Assignment Approved:

Date: January 28, 1976

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCESBy: Bert L. Cole
BERT L. COLE
Commissioner of Public Lands

Dated this _____ day
of _____, A.D. 19 _____

NO SIGNATURE REQUIRED

Assignor

Assignor

Assignee

Assignee

mg

APPROVED
OFFICE MANAGER

Donald J. Kay DATE 1/28/76

The Assignor's signature must be notarized. Use appropriate form on reverse side.

Assignee's signature, other than corporations, does not need to be notarized. If Assignee is a corporation, complete appropriate Certificate of Acknowledgment on reverse side.

(If a corporation, use "Certificate of Corporate Acknowledgment" below.)

STATE OF WASHINGTON,

On this day personally appeared before me

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that:

Given under my hand and official seal this _____ day of _____, 19_____

Notary Public in and for the State of Washington,
residing at _____

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON,

On this _____ day of _____, 19____, before me personally appeared _____

to me known to be the
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand and official seal this _____ day of _____, 19____.

Notary Public in and for the State of Washington,
residing at

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON,

On this _____ day of _____, 19_____, before me personally appeared _____

to me known to be the
of the corporation that executed the within and foregoing instrument, and acknowledged said
instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes
therein mentioned, and on oath stated that he was authorized to execute said instrument and that
the seal affixed is the corporate seal of the corporation.

Given under my hand and official seal this..... day of....., 19.....

Notary _____ in and for the State of Washington
residing _____

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON FOR KITSAP COUNTY

In re the Marriage of

(b) (6)

Petitioner,

and

(b) (6)

Respondent.

NO. 61772

ORDER REDUCING
LIEN TO JUDGMENT

THIS MATTER, having come on regularly and duly for hearing before the undersigned judge of the above-entitled court upon the motion of petitioner to accelerate the amount due under the Property Settlement Agreement herein to judgment, the petitioner being present and represented by J. Michael Koch, her attorney, testimony having been given and the argument of counsel having been heard, the court finding that the respondent, (b) (6) has failed to make the payments due in accordance with the Property Settlement Agreement herein since August 20, 1975, when the last payment of \$120.50 was made, and that the payments are at the rate of \$241.00 per month and that payments are now due for the months of September, October, November, December and January, that he is in default herein;

The court further finding that the respondent has not paid and is in default on the lease payment upon the premises which was due on November 1, 1975, in the amount of \$642.60, and that there is currently a balance due of \$789.20 to Rainier Bank on an SBA loan, the payments on which loan are delinquent, the last payment having been made in August, 1975;

That respondent was served with due and proper notice of this proceeding and has failed to make the payments due the State of Washington for the lease and Rainier Bank for the SBA loan, or those

due petitioner, that the balance due petitioner is \$7,471.00; that petitioner has incurred reasonable attorney's fees herein in the sum of \$500.00 plus costs in the sum of \$8.50; now, therefore,

IT IS HEREBY ORDERED that the lien granted petitioner, (b) (6) herein be reduced to judgment and that the respondent, (b) (6) have no further interest in said property.

IT IS FURTHER ORDERED that the respondent, (b) (6) no longer shall have any obligation to petitioner as and for payments in accordance with the property settlement of the parties, but that child support obligations shall continue.

DONE IN OPEN COURT this 16th day of January, 1976.

James D. Roper
Court Commissioner

Presented by:

J. MICHAEL KOCH
J. MICHAEL KOCH
Attorney for Petitioner

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Bert L. Cole
Commissioner of Public Lands
Olympia, Washington 98504

HARBOR AREA LEASE NO. 2332

BY THIS LEASE, by and between the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, hereinafter called the Lessor and (b) (6), hereinafter called the Lessee, the Lessor leases to the Lessee on the terms and conditions as hereinafter set forth, the following described harbor area situate in Kitsap County, Washington, to wit:

That portion of the harbor area situate in front of Government Lot 7, Section 11, Township 24 North, Range 1 East, W.M., included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of Lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence, along said inner harbor line, N 75° 43' 57.8" W 112 feet, thence N 63° 38' 00" W 148.126 feet, thence N 74° 55' 00" W, 193 feet, thence N 16° 00' 00" E across the harbor area 195 feet to a point on the outer harbor line, thence S 74° 00' 00" E along said outer harbor line 450 feet to a point which bears N 16° 00' 00" E from the point of beginning and then S 16° 00' 00" W, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

SECTION 1 OCCUPANCY

1.1 Term. This lease shall commence on the 1st day of November, 19 74 and continue to the 1st day of November, 2004.

SECTION 2 USE OF PREMISES

2.1 Permitted Use. The Lessee shall have use of the leased premises for the purposes of building and maintaining wharves, docks and other structures for the convenience of navigation and commerce as shown on the exhibits approved by the Lessor and on file in the office of the Lessor.

SECTION 3 RENTAL

3.1 Amount. Annual rental in the amount of \$ 642.60, which represents 6 percent of the full and true value of the harbor area herein described as determined by the Lessor, in accordance with the provisions of Chapter 97, Laws of 1969, First Extraordinary Session.

3.2 Adjustment. The Lessor shall at the end of the first five (5) year period of the lease term and at the end of each subsequent five (5) year period of the lease term, determine the full and true value in money of the herein described harbor area exclusive of improvements, unless the improvements are State-owned, in which case they shall be included, which value shall be the value at which the property would be taken in payment of a just debt from a solvent debtor and such valuation shall be utilized in computation of rental for the five (5) year period following.

3.3 Payment. The payment of the rental fixed to the Lessor each year in advance, is the essence of this lease, and the same shall be, and is a condition precedent to the execution and continuance of this lease or any rights thereunder. Payment is to be made to the Department of Natural Resources, Olympia, Washington 98504.

SECTION 4 RESERVATIONS

4.1 Regulations. The Lessor shall have the right to regulate, either under rules established by the Lessor or by legislative enactment, or by both methods; maintenance and design requirements of all improvements, the rates of wharfage, dockage and other tolls to be imposed by the Lessee upon commerce for any of the purposes for which leased harbor area may be used, and to change such regulations and rates from time to time, and the right to prevent by such means and in such manner as it may adopt; extortion, discrimination, unequal or exclusive privileges, and to cancel this lease for violation of any law, rule, regulation, or order governing the same.

4.2 Termination. The Lessor shall have the power to terminate this lease upon violation or default of any of the covenants and agreements, including the obligation to pay the specified rental contained herein, or for the failure or refusal to erect within a reasonable time hereafter, and continuously to operate and maintain in and upon the harbor area herein described; the wharves, docks, buildings or other structures represented in the exhibits of improvements proposed to be erected therein, which have heretofore been filed with the Lessor, or as altered with the consent and approval of said Lessor and entered upon its records.

4.3 Improvements. No improvement shall be placed upon the harbor area without the prior written authorization of the Lessor. Authorized improvements constructed or placed on the leased premises during the term of this lease by the Lessee, unless otherwise specified, are the property of the Lessee. Upon the termination or expiration of this lease, the Lessee agrees to sever, remove and dispose of those improvements designated by the lessor on the premises, within six months from date of termination or expiration. In those cases where the Lessor requires removal of improvements and such action is not taken by the Lessee, the Lessee agrees that the Lessor may remove such improvements and charge the Lessee for cost of removal and disposal. All improvements allowed to remain on the area herein described, upon termination or expiration of this lease, shall be the property of the Lessor.

4.4 Acquisition. The Lessor reserves unto itself, port district, county, city or other public agency in the territory where the portion of the harbor area described in this lease is located, the right to assume and thereafter hold this lease upon acquirement of the tidelands contiguous thereto and fronting thereon, without any value for said lease except for improvements thereon where such improvements are owned by the Lessee.

4.5 Entry. The Lessor shall have access to the premises at all reasonable times for the purpose of securing compliance with the terms and conditions of this lease.

4.6 Access. The Lessor reserves the right of access to and across the leasehold premises for all purposes and further reserves the right to grant easements and other land uses on the premises to others when the easement or other land uses applied for will not unduly interfere with the use to which the Lessee is putting the premises, or interfere unduly with the approved plan of development for the premises. No easement or other land uses shall be granted to third parties, until damages to the lease holder have been paid to the Lessee, or waiver signed by the Lessee.

4.7 Restrictions on Use. In connection with use of the premises, the Lessee shall:

(1) Conform to applicable laws and regulations of any public authority affecting the premises and the use thereof, and correct at the Lessee's own expense, any failure of compliance created through the Lessee's fault, or by reason of the Lessee's use.

(2) Remove no valuable material without prior written consent of the Lessor.

(3) Not make or suffer to be made, any filling in of the leased area or any deposit of rock, earth, ballast, refuse, garbage or other matter within such area except as approved in writing by the Lessor.

SECTION 5 - REQUIREMENTS

5.1 Assignment and Sublease. This lease, or any portion thereof, may not be assigned, mortgaged, sublet or otherwise transferred without the prior written consent of the Lessor. In granting such consent, the Lessor reserves the right to change the terms and conditions of this lease as it may affect the assignee. Further, if the Lessee is a corporation or partnership and if at any time during the term of this lease, any part or all of the corporate shares or partnership interests of the Lessee shall be transferred by sale, assignment, bequest, inheritance, operation of law, or other dispositions so as to result in a change in the present control of the corporation or partnership by the person or persons now owning a majority of the shares, or change in the holding of the corporate or partnership interest, the same shall constitute an assignment of this lease and as such shall require prior written consent of the Lessor. Failure to obtain written approval of any assignment defined in this lease shall be grounds for cancellation.

5.2 Maintenance.

(1) The Lessee, at his sole cost and expense, shall at all times keep, or cause all improvements (regardless of ownership) to be kept, in as good condition and repair as originally constructed or as hereafter put, except for reasonable use.

(2) The Lessee shall not allow debris or refuse to accumulate on the leased premises, caused either by himself or any person authorized on the premises by the Lessee. Failure to comply with this provision shall be cause to permit the Lessor to remove the debris and refuse and collect the cost of such removal from the Lessee and/or cancel this lease.

5.3 Condition of Premises and Liability.

(1) The premises have been inspected by the Lessee and are accepted in their present condition. Lessee agrees to defend and hold Lessor harmless from any and all claims suffered, or alleged to be suffered on the premises, or arising out of operations on the premises.

(2) The Lessee shall carry with a responsible company or companies satisfactory to the State, a sufficient amount of fire and casualty insurance to recover the replacement cost of any or all improvements located on the leased premises. A copy of such insurance policy or policies is to be endorsed and delivered to the State with provision of ten (10) days' notice of change, expiration and/or cancellation to the State. In the event of fire or casualty damage to any improvement owned by the State, or required to be left on the leased premises at the expiration of this lease, the paid insurance benefits shall be used to immediately replace said improvements in a manner acceptable to the State or, if directed by the State, rehabilitate the area in a manner suitable to the State. Any portion of the insurance proceeds not so utilized shall be returned to the State or if so permitted, to be used to satisfy any outstanding obligations incurred by reason of this lease being utilized for loan security. In the event of fire or casualty damage to any improvement owned by the Lessee, the paid insurance benefits shall be used to either replace the proceeds, or in lieu thereof, rehabilitate the area in a manner suitable to the State. The Lessee shall guarantee that all sublessees shall have provisions to either replace their own damaged improvements or to rehabilitate the area as defined above.

5.4 Assessments. The Lessee shall pay all the annual payments on all assessments that may be legally charged, whether or not such assessments have been levied against the leasehold or the Lessor by the assessing agency.

5.5 Insolvency of Lessee. If the Lessee becomes insolvent, bankrupt, a receiver appointed, or his interest is transferred by operation of law, the Lessor may cancel this lease at its option. Insolvency as used herein, will mean the inability of the Lessee to meet obligations as they come due.

SECTION 6 MISCELLANEOUS

6.1 No Partnership. The Lessor is not a partner nor a joint venturer with the Lessee in connection with the business carried on under this lease and shall have no obligation with respect to the Lessee's debts or other liabilities.

6.2 Non-Waiver. Waiver by either party of strict performance or any provisions of this lease shall not be a waiver of, nor prejudice the party's right to require strict performance of the same provision in the future, or of any other provision.

6.3 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney fees.

6.4 Succession. Subject to the limitations as stated in paragraph 5.1 on transfer of the Lessee's interest, this lease shall be binding upon, and inure to the benefit of the parties, their respective successors and assigns.

6.5 Notices. Any notice required or permitted under this lease shall be given when actually delivered or when deposited in the United States mail addressed as follows: To the Lessor: Department of Natural Resources, Public Lands-Social Security Building, Olympia, Washington 98504. To the Lessee: At the address given by the Lessee in the signature block, or as shown on later official documents of record with this lease.

6.6 Liens.

(1) No person shall have the right to file or place any lien of any kind or character upon the land or improvements within the leasehold premises without the prior written consent of the Lessor.

(2) In the event liens or other charges are placed on the leasehold premises, including land or improvements, arising out of the Lessee's actions directly or indirectly, the Lessee shall immediately cause such liens or charges to be discharged. The Lessor may forthwith cancel this lease if Lessee fails to discharge such liens or charges after ten days' notice to do so by the Lessor. The Lessee shall pay and indemnify the Lessor for all costs, damages or charges of whatsoever nature, including attorneys' fees necessary to discharge such liens or charges, whether such costs, damages or charges are incurred prior or subsequent to any cancellation of this lease.

6.7 Litigation. In the event this lease, its terms, its use, its occupation or it in any way becomes a matter of litigation, the Lessor shall be notified of such litigation within fifteen days after such litigation is begun. Failure to notify the Lessor of such action shall be cause for cancellation or termination of this lease.

6.8 Lessor's Right to Cure Defaults.

(1) If the Lessee fails to perform any requirement or obligations under this lease, the Lessor shall have the option to correct the obligation of the lease after thirty days' written notice to the Lessee. All of the Lessor's expenditures to correct the default shall be reimbursed by the Lessee on demand, with interest at the rate of one percent per month accrued from the date of expenditure by the Lessor.

(2) In the event any violation or breach of the provisions of this lease is causing damage to the leasehold premises or the Lessee is utilizing the leasehold premises in a manner not permitted by the provisions of this lease, or in any case damages are occurring to the leasehold premises, the Lessor may immediately enter upon the leasehold premises and take such action as necessary to cease such damages or use. In the event the damages or use is occurring by reason of a violation or breach of the provisions of this lease, the Lessee shall be liable for all costs incurred by the Lessor by reasons of such violations. The Lessor, at its option may send notice to the Lessee of such violations and the Lessee shall immediately cease such use or violation and correct and remedy such violations.

6.9 Bond. Lessee shall furnish a bond in the amount of \$ 1,000.00 as a guarantee of the performance of all the conditions set up and prescribed in this lease in all and every part thereof.

The Lessee expressly agrees to all covenants herein, and binds himself for the payment of the rental hereinbefore specified.

Executed this 29th day of April, 1975.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Bert L. Cole
BERT L. COLE
Commissioner of Public Lands

Signed this 28th day of April, 1975.

(b) (6)

(b) (6)

1805 Thompson Ave
Tacoma, WA 98405
Bremerton, wa 98310
Address

fs
App. No. HA 2332

*If Lessee is a corporation, complete Certificate of Acknowledgement on reverse side.

0-176-5
9/30/73

R. E. Engstrom

CERTIFICATE OF
CORPORATE ACKNOWLEDGEMENT

STATE OF _____)
COUNTY OF _____) ss

On this _____ day of _____, 19____, before me
personally appeared _____

to me known to be the _____
of the corporation that executed the within and foregoing instrument and acknow-
ledged said instrument to be the free and voluntary act and deed of the corpora-
tion, for the uses and purposes therein mentioned, and on oath stated that (he was)
(they were) authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year first above written.

Notary Public in and for the State of
_____ residing at

HARBOR AREA LEASE BOND NO. _____

STATE OF WASHINGTON)
) ss
 County of _____)

We, (b) (6)
 of Bremerton, Wash, as principal, and we, (b) (6)
of Bremerton, Wash
 as sureties, all of the State of Washington, County of Kitsap, do
 confess ourselves indebted to the State of Washington in the penal sum of _____
 _____ Dollars, and to
 the payment of which we are held and firmly bound, and do by these presents bind
 ourselves, our and each of our heirs, executors, administrators or assigns, jointly
 and severally, firmly by these presents.

Sealed with our seals this _____ day of _____, A.D., 19 _____

The condition of the above obligation is such that, Whereas, the principal, _____,
 in the foregoing bond did enter into a certain lease and contract No. _____
 with the State of Washington (which is hereto attached and made a part of this in-
 strument), whereby the above bounden principal _____ ha _____ leased from the State of
 Washington the part, lot or parcel of property described in said hereto attached
 lease and contract, upon all the conditions set up in said lease and contract:
 Now, therefore, if the said above named lessee _____, the principal _____ herein, shall
 well and truly perform all the conditions set up and prescribed in the said lease
 and contract hereto attached, in all and every part thereof, then this bond shall
 be considered satisfied and discharged; otherwise it shall have full force and
 effect.

(b) (6)

Approved for general use:

Date December 4, 1973
Headsman Jones
 Assistant Attorney General

Signature: Principal
 Title _____

1805 Thompson Dr. Bremerton Wa
 Mailing Address

(b) (6)

Surety

(b) (6)

Insurance Commissioner's Approval:

Bremerton, Wa
 Mailing Address

Signature: Attorney in fact

Signature: Resident Agent

(Surety's Seal)

Agency

Mailing Address

TO BE EXECUTED BY SURETIES ONLY

STATE OF WASHINGTON)

County of KITSAP) ss

(b) (6)

being first duly sworn, each for himself, and not one for the other, deposes and says: That he is a citizen of the State of Washington and is not barred by any statute of said State from executing bonds or becoming a surety; that he is one of the persons named in and who executed the foregoing obligation as surety, and that the same is his free and voluntary act and deed for the uses and purposes therein mentioned; that he is worth the sum of \$ 1000.00, over and above all his just debts and liabilities, in separate property situated in said State, and not exempt from sale on execution.

(b) (6)

Subscribed and sworn to before me this 6th day of

MARCH, A.D., 19 75.

Burke J. Blumore
Notary Public in and for the State of
Washington, residing at BREMERTON

TIDELANDS, SHORELANDS, HARBOR AREA, NAVIGABLE WATER

Application No. HA 2332

Lease _____
0176 Re-lease Harbor Area
Contract _____
Deed _____
Certificate _____
Permit _____
Comm. Order _____

TO: (b) (6) _____
(b) (6) _____ Tacoma Washington 98405

CONSIDERATION: \$642.60 at 6%

DESCRIPTION: see back of abstract for description

REMARKS: (Terms, special requirements, etc.)

30 years From November 1, 1974
\$1000 ⁰⁰ Bond required.

DATE 11-26-74

M-171
9-6-66
S & M L M

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
OLYMPIA, WA 98504

ABSTRACT OF

APP. NO. HA 2332

County Kitsap Plate No. 5 ^{Bremerton} _{Tide Lands}
Area South Puget Sound
Date 10-28-1974

Applicant (b) (6)

Address Tacoma Wash. 98405

Purpose of Application Marina

Land Classification Harbor Area

Adjacent Upland Description Portron Government Lot 7, Section 11, Twp 24 N, Range 1 E, W.M.

Date of Upland Patent

Term Requested 30 years

Abutting Land Owner

Previous Transactions HA 1924 Expires 11-1-74

Improvements & Value Office & Moorage Floats \$10,000

Improvements Claimed By Applicant

Harbor Area Exhibit brought forward from HA 1971 & 1974

Port Recommendations

U. S. Army Public Notice N.A.

U. S. Army Permit Issued N.A.

Encumbrances None.

Dept. of Fisheries Report

Other Pertinent Information

Lease Description on reverse side.

OLYMPIA COPY

DESCRIPTION

That portion of the harbor area situate in front of Government Lot 7, Section 11, Township 24 North, Range 1 East, W.M., included in a tract described as follows:

Beginning at a point on the inner harbor line, said point also being the northwest corner of Lot 11, Supplemental Plat of Bay View Gardens, a recorded plat in said Government Lot 7 and running thence, along said inner harbor line, N 75° 43' 57.8" W 112 feet, thence N 63° 38' 00" W 148.126 feet, thence N 74° 55' 00" W 193 feet, thence N 16° 00' 00" E across the harbor area 195 feet to a point on the outer harbor line, thence S 74° 00' 00" E along said outer harbor line 450 feet to a point which bears N 16° 00' 00" E from the point of beginning and thence S 16° 00' 00" W, across the harbor area, to the point of beginning as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Note

Length along outer harbor line 450 feet
Length along inner harbor line 453 feet
Average width of harbor area 205 feet
Area 2.12 acres

TAB
TAB/nr
10/25/74

OLYMPIA OFFICE USE ONLY

LEASE NO. _____ APPLICATION NO. _____

OLD VALUATION _____

OLD RENTAL _____

NEW VALUATION _____

NEW RENTAL _____

PERCENTAGE _____

DUE DATE _____

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT L. COLE, Commissioner of Public Lands

APPLICATION TO LEASE TIDELANDS, SHORELANDS
BEDS OF NAVIGABLE WATERS AND HARBOR AREAS

PLEASE RETURN BOTH COPIES TOGETHER
WITH THE APPLICATION FEE.

I, (b) (6), of (b) (6) Tacoma, Wash.
do hereby apply to lease { land of the _____ class
bed of navigable waters _____ } situated
in Kitsap County, Washington, described as follows:
Bremerton Tide Lands

Release application # 1971 and 1974

Harbor area is shown on exhibits prepared as per instructions on reverse of this application.

For what purpose are the lands wanted? Marina

For how many years is lease desired? 30 yr.

Are you the owner of the abutting uplands? NO

Are you the owner of the abutting tide or shore lands? NO

If not, give last known P. O. address of such owner

List all improvements on the property, value of each, and ownership.

IMPROVEMENT	VALUE	OWNER
Office and moorage floats	\$ 10,000	applicant
	\$	

Are lands located in front of, or within two miles of the corporate limits of any city or town? yes

City of Bremerton

Are lands located within a Port District? yes

The enclosed application fee (minimum fee \$10.00 made payable to the Department of Natural Resources) is subject to forfeiture if I fail to accept the lease offered and pay the first period rental as determined by the Department of Natural Resources.

Dated at Olympia, Washington, this 17 day of October, A.D., 1974

FOR OFFICE USE ONLY	
Amount Received: \$ 10.00	Date 10-17-74
Application No. HA2332	
Grant Harbor Area	
District So. Puget Sound	

(b) (6)
Sign here Applicant
P. O. Address (b) (6) 98405
Tacoma Wash Zip Code

District 2nd District
 County Alameda
 Application No. 403325
 Applicant John D. Smith
 Address 1000 1st St.
 City San Francisco
 State Calif.
 Date 10/1/1911

P.O. Address 1000 1st St.
 City San Francisco
 State Calif.
 Date 10/1/1911

District of California Alameda County, San Francisco City, 10/1/1911

(Witnessed by the Department of Public Lands)

(Witnessed by the Department of Public Lands)

The enclosed application for 210.00 square feet of the Department of Public Lands located within a Port District 1st

City of San Francisco

The lands located in front of or within two miles of the corporate limits of any city or town 1st

The lands located in front of or within two miles of the corporate limits of any city or town 1st

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Rules Governing the Submission of Plats, Plans and Specifications in the Matter of Leasing Harbor Areas

1. Accompanying each application and made a part thereof shall be a map marked "Exhibit A," showing the location of the portion of the harbor area desired to be leased.
2. "Exhibit A" must be on good quality of mounted paper, 17x22½ inches, and must show the location of the area desired to be leased, with the frontage of the adjoining lots or blocks of the shore or tide lands; also the ground plan of docks or wharves to be constructed or existing; also showing buildings located on such wharves. All courses and distances must be clearly marked.
3. Exhibits must be prepared, signed and sealed by a registered professional engineer or land surveyor.

BERT L. COLE,
 Commissioner of Public Lands.

The lands located in front of or within two miles of the corporate limits of any city or town 1st

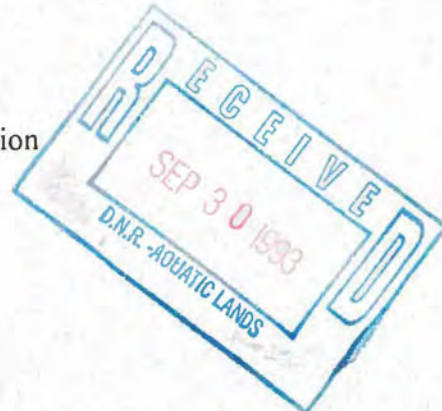
BEGS OF ALABAMA AND OTHER STATES
 APPLICATION TO LEASE PUBLIC LANDS

Haller Insurance Services, Inc.

A Professional Insurance Service Organization

September 25, 1993

Department of Natural Resources - Aquatic Lands Division
P O Box 47027 - 1111 Washington Street SE
Olympia, WA 98504-7027
Attention: Brad Pruitt



Gentlemen,

Please find enclosed the original State Lease/Contract Bond for Port Washington Marina Association.

If you have any questions please give us a call.

Sincerely,

HALLER INSURANCE SERVICES, INC.

Michael F Haller, CIC
MFH/mh
Enclosure:

cc: (b) (6)

Edmonds, WA 98020

22-002332

connect
THIS
ADDRESS



"A Tradition
of Excellence"

STEWART TITLE COMPANY
OF WASHINGTON, INC.

1201 Third Avenue
Suite 3800
Seattle, Washington 98101-3055
(206) 622-1040
Fax: (206) 343-1358

August 3, 1993

Washington State Department
of Natural Resources
P.O. Box 470000
Olympia, WA 98504-7000

RE: Our Escrow Number: 46018141

(b) (6)

Property: PORT WASHINGTON MARINA, BREMERTON, WASHINGTON

Dear Sir:

In connection with the above-captioned transaction, we have enclosed herewith the following:

Our check no. 40-6310 in the sum of \$3,222.26 representing the balance owing on the lease per attached copies of letter and invoice

Please feel free to contact the undersigned if you have any questions.

Very truly yours,

Robin Barefield
Escrow Officer, LPO
Assistant to Maurine McCormick

rb
Enc.



WASHINGTON STATE DEPARTMENT OF
Natural Resources

JENNIFER M. BELCHER
Commissioner of Public Lands

July 19, 1993

KALEEN COTTINGHAM
Supervisor

Port Washington Marina Owner's Association
510 Rainier Ave S
Seattle, WA 98144

Subject: Aquatic Lands Lease No. 22-002332

Dear Lessee:

Enclosed are two identical originals of Lease No. 22-002332 for your review. Also enclosed are originals of amendments for the term of Leases 22-002332, 22-002396 and 22-002399. The amendments effectively cancel all of these leases by moving the ending date of the terms to the same day the new lease (22-002332) is established. Again, there are two originals of each amendment. If they meet with your approval, please sign and date all copies and return them within 30 days to: Department of Natural Resources, Division of Aquatic Lands, 1111 Washington St SE, PO Box 47027, Olympia, Washington 98504-7027.

Please note that your signature must be notarized. Each lease and amendment contains a certificate of acknowledgment for this purpose.

Before the department can finalize your aquatic lands lease and amendments of previous leases, within 30 days we also must receive:

1. Rent for the period of August 1, 1993 to July 31, 1994 in the amount of \$1,390.69 plus leasehold tax of \$178.57, for a total of \$1,569.26, pursuant to Section 3 of the lease. Additionally, 1992-1993 rent due on Leases 22-002332 and 22-002393 plus 1993-1994 rent due on Lease No. 22-002399 are summarized as follows:

<u>Period</u>	<u>Lease</u>	<u>Rent</u>		<u>Leasehold Tax</u>		<u>Total</u>
November 1, 1992- August 1, 1993	22-002332	\$ 589.29	+	\$75.67	=	\$ 664.96
November 1, 1992- August 1, 1993	22-002393	\$1,432.40	+	\$183.92	=	\$1,616.32
May 5, 1993- August 1, 1993	22-002399	\$ 201.65	+	\$ 25.89	=	\$ 227.54
						\$2,508.82

These figures represent rent carried through to August 1, 1993 on the above leases. These old agreements remain in effect now until August 1, 1993.

The total now due as of August 1, 1993 is:

$$\$1,569.26 + \$2,508.82 = \$4,078.08$$

2. Financial security to ensure full performance of lease terms in the amount of \$25,000.00, pursuant to Subsection 8.2 of the lease.
3. Evidence of insurance coverage in accordance with Subsections 8.3 through 8.5 of the lease. Required coverage includes: Comprehensive General Liability (\$1,000,000 per occurrence and \$2,000,000 annual aggregate), and Physical Property Damage.

Upon receipt of the items identified above and completion of our final evaluation at the staff level, we will submit the documents to DNR management for their review and, if appropriate, final execution. Upon execution by DNR, an original document will be returned to you for your records.

Please call me at (206) 902-1084, if you have questions.

Sincerely,



Brad Pruitt, Land Manager
Division of Aquatic Lands

Enclosures

Reference Code: 22-002332
cag5/22002332.trn



WASHINGTON STATE DEPARTMENT OF
Natural Resources

JENNIFER M. BELCHER
Commissioner of Public Lands

July 19, 1993

KALEEN COTTINGHAM
Supervisor

Port Washington Marina Owner's Association
510 Rainier Ave S
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July 19, 1993

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Sincerely,



Brad Pruitt, Land Manager
Division of Aquatic Lands

Enclosures

Reference Code: 22-002332
cag5/22002332.trn

To: DAN BARTH, DANIELLE KITCHEL, DARREL JOHNSTON, DAVE BORTZ, GENE REVELAS
From: ANN ESSKO
Subject: (b) (6)
Date: 7/12/93 Time: 5:56p

(b) (6)

Dan Barth is acting assistant manager while I'm gone. He'll be out Thursday & Friday & may ask one of you to be acting acting assistant manager. He may also ask one of you to sit in on Ann Morgan's staff meeting on Friday. I'm putting on his desk 4 files with information about things that might be discussed at the staff meeting - it needs to go to whoever attends:

1. AG work list - top item in file needs to be given to Kirstan for revision of the list

2. Priorities - there may be discussion about the priorities we came up with a week or so ago. The memo you've already seen (with the matrix Danie prepared) is at the top of the file.

3. Organizational Review (a/k/a reorganization) - Key items are Ann Morgan's 7/6 memo and my 7/12 response.

4. Leasing priorities - you already know all about this (except for Gene).

Otherwise the person who attends just needs to be up-to-date on current rent appeals. Unruh is gone. Parsons (check w/Darrel) is gone but has issues Darrel will deal with; meeting set w/Ann in near future. Dan's section also has 2 new ones - I don't know the names. One will be rejected & the other may not be. Information on these needs to go to Kirstan on Thursday so she can prepare the rent appeal list in advance. The person who attends the meeting has to be prepared to discuss each rent appeal on the list briefly.

July 6, 1993

Brad Pruitt
Land Manager
Department of Natural Resources
Division of Aquatic Lands
P.O. Box 47027
Olympia, Washington 98504-7027

Re: Aquatic Lands Lease No. 22-002332

Dear Mr. Pruitt:

We are in receipt of the new Lease Agreement above referenced.



As we discussed, the lease must be for a term of 30 years, or more, commencing from the closing date of the sale of Port Washington Marina Condominiums to the new buyers (projected to be August 1, 1993).

As you know, (b) (6) are purchasing 100% of the condominium moorage slips of Port Washington Condominium Marina from (b) (6). They are acquiring the Marina through an exchange of other real property which they own. Internal Revenue Service tax codes require that the properties be "like kind" in order to qualify as a Section 1031 Tax Deferred Exchange. Since the Marina is a "leasehold estate" with D.N.R. it would be classified as personal property and not qualify for an exchange for real property. An exception to the rule is allowed when the leasehold is for a term of 30 years or more. Therefore the D.N.R. lease must be for 30 years (from the closing date) in order to meet the requirements of I.R.S. for a tax deferred exchange.

We need to change the commencement date of the lease to August 1, 1993 (provided we resolve this issue quickly, in as much as we need 2-3 weeks to complete the closing).

Please call to discuss a resolution. Thank you for your help.

Respectfully,

M. Leon Moore

July 6, 1993

Brad Pruitt
Land Manager
Department of Natural Resources
Division of Aquatic Lands
P.O. Box 47027
Olympia, Washington 98504-7027

Re: Aquatic Lands Lease No. 22-002332

Dear Mr. Pruitt:

We are in receipt of the new Lease Agreement above referenced.

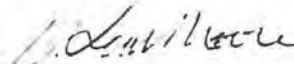
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We need to change the commencement date of the lease to August 1, 1993 (provided we resolve this issue quickly, in as much as we need 2-3 weeks to complete the closing).

Please call to discuss a resolution. Thank you for your help.

Respectfully,


M. Leon Moore

THE OLD TERM WOULD HAVE BEEN
A COUPLE MONTHS SHY OF
30 YRS.
BBP



WASHINGTON STATE DEPARTMENT OF
Natural Resources

June 24, 1993

Port Washington Marina Owner's Association
510 Rainier Avenue South
Seattle, WA 98144

Subject: Aquatic Lands Lease No. 22-00233

Dear Lessee:

Enclosed are two identical originals of Lease No. 22-002332 for your review. Also enclosed are originals of amendments for the term of Leases 22-002332, 22-002396 and 22-002399. The amendments effectively cancel all of these leases by moving the ending date of the terms to the same day the new lease (22-002332) is established. Again, there are two originals of each amendment. If they meet with your approval, please sign and date all copies and return them within 30 days to: Department of Natural Resources, Division of Aquatic Lands, PO Box 47027, Olympia, Washington 98504-7027.

Please note that your signature must be notarized. Each lease and amendment contains a certificate of acknowledgment for this purpose.

Before the department can finalize your aquatic lands lease and amendments of previous leases, within 30 days we also must receive:

1. Rent for the period of November 1, 1992 to October 31, 1993 in the amount of \$1,390.69 plus leasehold tax of \$178.57, for a total of \$1,569.26, pursuant to Section 3 of the lease. The department will credit you the rent already paid from Lease 22-002399. As follows:

$$\begin{aligned} \$757.15 + \$97.22 \text{ LHT} &= \$854.37 \text{ Annual Rent} \\ 187 \text{ Days of Credit} &= \$387.91 \end{aligned}$$

$$\$1,569.26 \text{ Annual Rent (22-002332)} - \$387.91 \text{ Credit} = \$1,181.36.$$

2. Financial security to ensure full performance of lease terms in the amount of \$25,000.00, pursuant to Subsection 8.2 of the lease.
3. Evidence of insurance coverage in accordance with Subsections 8.3 through 8.5 of the lease. Required coverage includes: Comprehensive General Liability (\$1,000,000 per occurrence and \$2,000,000 annual aggregate), and Physical Property Damage.

LESSEE NOW NEEDS
A COMMENCEMENT DATE
OR Aug 1, 1993. SEE
LTR DATED JULY 6, 1993.

Port Washington Marina Owner's Association

Page 2

June 24, 1993

Upon receipt of the items identified above and completion of our final evaluation at the staff level, we will submit the documents to DNR management for their reviews and, if appropriate, final execution. Upon execution by DNR, an original document will be returned to you for your records.

Please call me at (206) 902-1084, if you have questions.

Sincerely,



Brad Pruitt, Land Manager
Department of Natural Resources
Division of Aquatic Lands
PO Box 47027
Olympia, WA 98504-7027

Enclosures

Reference Code: 22-002332
1o5/22002332.trn

May 11, 1993

Dan Barth
State of Washington
Department of Natural Resources
Aquatic Lands Division
1111 Washington Street S.E.
P.O.Box 47027
Olympia, Washington 98504-7027

Re: Port Washington Marina - H.A. Lease # 2332,2396,2399.

Dear Mr. Barth:

Enclosed please find the lease exhibit as required for our application to lease the harbor area for the Port Washington Marina, Bremerton, Washington.

If you have any questions, please call. Thankyou for your help in expediting this application.

Respectfully,



M. Leon Moore

cc/ (b) (6)
cc/

APR 26 1993

March 22, 1993

Brad Pruitt
State of Washington
Department of Natural Resources
Aquatic Lands Division
1111 Washington Street S.E.
P.O.Box 47027
Olympia, Washington 98504-7027

Re: Port Washington Marina - H.A. Lease # 2332, 2396, 2399.

Dear Mr. Pruitt:


Following is a list of loans to secured parties against various slips in the Port Washington Marina, as follows:

<u>Lender</u>	<u>Loan Amt</u>	<u>Collateral</u>
University Savings Bnk	\$266,400	Slip #1,2,3,5,7,10,11, 12,18,21,22,23,25,36,39 45,48,50,54,55,56,57,58 59,65,66,67,68,69,70,71 76
(b) (6)	\$ 15,000	Slip #24
(b) (6)	\$ 45,000	Slip #34
(b) (6)	\$ 15,000	Slip #46
(b) (6)	\$ 15,000	Slip #64
(b) (6)	\$ 45,000	Slip #74 & 75

All of the loans(Notes) are secured with a Deed of Trust.

If you have any questions, please call. The survey field work has been completed. The exhibit should be available early next week. Thankyou for your help in expediting this matter.

Respectfully



M. Leon Moore

cc/ (b) (6)
cc/ (b) (6)

RECEIVED

MAR 22 1993

Dept. of Natural Resources
Mail Center

March 17, 1993

Brad Pruitt
State of Washington
Department of Natural Resources
Aquatic Lands Division
1111 Washington Street S.E.
P.O.Box 47027
Olympia, Washington 98504-7027

Re: Port Washington Marina - H.A. Lease # 2332,2396,2399.

Dear Mr. Pruitt:

Enclosed please find the Application to Lease for the harbor area of Port Washington Marina on the Washington Narrows of Bremerton.

While the lease(s) have a remaining term, we are applying for a new lease to accomplish the following:

- 1) Combine the 3 existing leases into one;
- 2) Add some harbor area to the East to eliminate an encroachment of Dock "E" and an existing driveway;
- 3) Extend the term of the lease(s) to 30 years;

A new "as built" survey has been ordered and will be completed within the next two weeks. We will forward it to you as soon as possible.

Port Washington Marina Condominium Association will continue to be the Lessee. We request that you approve the enclosed Assignment of Moorage Slip Sublease form (it is the same form which has been approved for the existing leases).

We request that you begin the approval process in as much as we are closing a sale of the property and time is critical. We will forward the survey promptly.

Please call if any questions. Thankyou for your help.

Respectfully,



M. Leon Moore

cc/ (b) (6)
cc/



Ph. (206) 329-3923
1814 Summit • Suite 505
Seattle, Washington
98122

FAX MESSAGE

Fax # 206-325-1152

Date 5/6/93
To Brad Pruitt
Phone _____ Fax 902-1786
From Leon Moore
Phone 329-3923
No. of pages 6 (including cover sheet)

Brief Message: re: Port Wash Maurice
Brad -

Surveyor listed legals by separate parcels
(consistent with existing 3 leases plus additional area "A").
Will this work or do you want just one legal for
the entire parcel? Let me know. Thank

Leon

Please call us if you have a problem in receiving or if there is a page missing.



WASHINGTON STATE DEPARTMENT OF
Natural Resources

Board
Jennifer M. Belcher

■ **ORR** ■
Commissioner of Public Lands

March 1, 1993

PO Box 47000
Olympia WA 98504-7000

Mr. Leon Moore
Moore and Washburn
1614 Summit Avenue #505
Seattle, WA 98122

RESIDENCE IN H.A.

ENCROACHMENT OUTSIDE
H.A.

Subject: Residential Uses and Liveaboards

Dear Mr. Moore:

On February 11, 1993, (b) (6) yourself, Brad Pruitt, and I met to discuss several issues and concerns regarding the granting of a new long term aquatic land lease to the Port Madison Marina, which effectively would combine three current adjacent leases. We discussed current encroachments outside the existing lease area and possible lease area boundary changes or relocation of the existing Harbor line to resolve this issue.

We also discussed a current use of the Harbor Area for an existing caretaker residence and apartment and marina supporting laundry and wash area building. These uses are occurring on a filled portion of the lease area and have existed probably since the 1930s. Your concern was if these residential uses could continue under a new lease in a Harbor Area. Additionally, you identified several moorages in the marina are used for liveaboard uses. You asked if these uses could be continued in a new Harbor Area lease.

Several department regulations address residential uses in Harbor Areas. One must read them in their entirety and together to fully understand their intent. Based on a review of these regulations the department will continue to allow the existing residential uses in a new lease which combines and modify the existing three leases.

To explain this, I provide the following:

WAC 332-30-115 Harbor Area Uses Classes (4) Residential use states:
"Residential uses include apartments, condominiums, houseboats, single, and multifamily housing, motels, boatels and hotels. Residential uses do not require Harbor Area locations and are frequently incompatible with water-dependent commerce. New residential uses will not be permitted to locate in Harbor Areas. This restriction on new leases differentiates residential uses from interim uses. Existing residential uses may be asked to yield to other uses when the lease expires. Proposed renewals of residential leases will require the same analysis as specified for interim uses."

Mr. Leon Moore
Page 2
March 1, 1993

Subsection (5) Interim Uses states: "Interim uses are all uses other than water-dependent commerce, existing water oriented commerce, public access facilities and residential uses. Interim uses do not require water front locations in order to properly function. Leases may only be issued and reissued for interim uses in exceptional circumstances and when compatible with water-dependent commerce existing in or planned for the area. See WAC 332-30-137 nonwater-dependent uses for evaluation standards."

It is in this WAC 332-30-137 we find the standard for what is an exceptional circumstance and when is the use compatible with water dependent uses. Specific to this situation the following is applicable:

WAC 332-30-137(1) Exception Circumstance (c) nonwater-dependent uses in structures constructed, or on sites filled, prior to June 30, 1985, and WAC 332-30-137(2) Compatibility with water-dependent uses (b) the effect on the usefulness of adjacent areas for water-dependent uses, and (c) the probability of attracting additional water-dependent or nonwater-dependent uses.

I believe a reasonable person would not argue the fact that this residential use (caretaker residence and apartment building) existed on the site and the site was filled prior to June, 30, 1985 and also that the security provided to the water-dependent use, the marina, by the existence of this use satisfy criteria b and c above.

This effect of our negotiations is to structure a new lease to replace three existing lease and continue the existing uses for a longer term. Any future changes to the permitted use will be dealt with at the time of that proposal.

As to the issue of liveaboards, the department does not prohibit liveaboards boats. The department does have concerns as to the potential of discharge waste or refuse from them contaminating state-owned aquatic land. We do look to the local government agency to assure that waste disposal concerns are dealt with. The mere existence of pumpout facilities or prohibition of discharge beg the problem of disposal without some marina operating plan to assure that liveaboards use them.

I hope these references are helpful to you and Mr. Faulds.

Sincerely,



Daniel Barth, Section Manager
Division of Aquatic Lands
1111 Washington Street SE
PO Box 47027
Olympia, WA 98504-7027

Enclosure

c: Brad Pruitt

and/dan/moore ltr

DNR-00018611

state-wide value. It must be demonstrated that these are capable of being replaced.

(d) Payment for lost value, in lieu of replacement, may be accepted from the aquatic land user in limited cases where an authorized use reduces the economic value of off-site resources, for example, bacterial pollution of nearby shellfish beds.

[Statutory Authority: RCW 79.90.105, 79.90.300, 79.90.455, 79.90.460, 79.90.470, 79.90.475, 79.90.520, 79.68.010, 79.68.68 [79.68.080], and chapter 79.93 RCW. 85-22-066 (Resolution No. 500), §332-30-107, filed 11/5/85.
Statutory Authority: RCW 43.30.150. 80-09-005 (Order 343), §332-30-107, filed 7/3/80.]

WAC 332-30-108 ESTABLISHMENT OF NEW HARBOR AREAS.

(1) The policies and standards in this section apply to establishment of new harbor areas by the harbor line commission under Article XV of the Washington Constitution and to establishment of new harbor areas in Lake Washington by the commissioner of public lands under RCW 79.94.240.

(2) New harbor areas will only be established to serve the following purposes:

(a) Reserving adequate urban space for navigation and commerce facilities; and

(b) Preventing urban development from disrupting navigation.

(3) New harbor areas will only be established when a need is demonstrated by existing development or by plans, studies, project proposals or other evidence of development potential in, or waterward of, the proposed harbor area.

(4) Unless there is an overriding state-wide navigation and commerce need, new harbor areas will only be established when:

(a) Compatible with local land use and shoreline management plans;

(b) Supported by the city, county and port district;

(c) The area is physically and environmentally suitable for navigation and commerce purposes; and

(d) Necessary support facilities and services are likely to be available.

(5) The shoreline length of a new harbor area established along a city's waterfront will be determined by the need and purposes to be served and by conformance with subsection (4) of this section.

(6) Harbor line placement standards.

(a) Harbor lines will be placed to serve constitutional harbor area purposes as they relate to the individual site in question.

(b) Harbor lines will be placed to provide practical development guidance. Harbor lines will relate to navigation and commerce development which has occurred or can reasonably be expected to occur.

(c) Inner harbor lines will be placed at the boundary of public aquatic land ownership. Inner harbor lines may be placed waterward of the boundary of public ownership to avoid conflicts with other guidelines in this section.

(d) Outer harbor lines will generally be placed near the ends of existing conforming structures located on public aquatic lands. The lines shall provide adequate space for navigation and commerce and prevent development from interfering with navigation.

(e) Unless there is an overriding state-wide navigation and commerce need, harbor lines will be placed in accordance with:

- (i) Local, state and federal land use plans and environmental regulations;
- (ii) Maintenance of environmental quality;
- (iii) Existing abutting harbor lines; and
- (iv) Existing aquatic land development.

[Statutory Authority: RCW 79.90.080, 79.92.010, 79.94.240 and 79.94.250. 84-23-008 (Resolution No. 469), §332-30-108, filed 11/9/84.]

WAC 332-30-109 HARBOR AREA.

(1) Harbor areas shall be reserved for landings, wharves, streets and other conveniences of navigation and commerce.

(2) Water dependent commerce shall be given preference over other uses of harbor areas.

(3) Every consideration shall be given to meeting the expanding need for navigation and water dependent commerce in existing harbor areas.

(4) Several industries using the same harbor area facility shall be given preference over single industry use.

(5) Shallow draft uses, such as barge terminals and marinas, shall be preferred over deep draft uses, in areas requiring extensive maintenance dredging.

(6) Harbor lines may be adjusted, when authorized by the legislature, to provide reasonable opportunity to meet the present and future needs of commerce and navigation.

(7) In harbor areas where no current constitutional use (navigation and commerce) is called for or practical and other uses are in demand, interim uses may be authorized by the board of natural resources if in the public interest.

(8) The department will, where in the public interest, promote the conversion of existing nonconforming uses to conforming uses by assisting if possible, such users in resiting their operations and by withdrawing renewal options on affected state harbor area leases.

(9) The department will promote full development of all existing suitable harbor areas for use by water dependent commerce.

(10) Abandoned structures determined to be unsightly or unsafe by the department shall be removed from harbor areas by the owner of the structures upon demand by the department or by the department in which case the owner will be assessed the costs of such removal.

(11) Houseboats are not permitted in harbor areas.

(12) Resource management cost account portion of the revenue from leasing of harbor areas shall be used to reduce the general tax burden and for aquatic land management programs that are of benefit to the public.

(13) Harbor areas will be managed to produce revenue for the public unless withdrawn as a public place.

(14) Harbor area lease renewal applications must be returned to the department within sixty days of expiration of prior lease term. If not timely returned, the harbor area involved will be put up for public auction.

(15) The department will encourage local government, state and federal agencies to cooperate in planning for the following state-wide harbor management needs:

- (a) Reserve adequate and appropriate space within the jurisdiction to serve foreseeable navigation and commerce development needs.
- (b) Coordinate plans for aquatic land and upland development so that areas reserved for navigation and commerce will be usable in the future.
- (c) Identify areas where interim uses may be allowed.
- (d) Identify needed changes in harbor lines.
- (e) Minimize the environmental impacts of navigation and commerce development.
- (f) Prevent existing and future interim uses in harbor areas from lowering the suitability of harbor areas for navigation and commerce development.

[Statutory Authority: Chapter 79.92 RCW. 83-21-004 (Order 404, Resolution No. 433), §332-30-109, filed 10/6/83. Statutory Authority: RCW 43.30.150. 80-09-005 (Order 343), §332-30-109, filed 7/3/80.]

WAC 332-30-114 MANAGEMENT AGREEMENTS WITH PORT DISTRICTS.

By mutual, formal, written agreement the department may authorize a port district to manage some or all of those aquatic lands within the port district meeting the criteria stated in subsection (2) of this section. The port district shall adhere to the aquatic land management laws and policies of the state as specified in chapters 79.90 through 79.96 RCW. Port district management of state aquatic lands shall be consistent with all department regulations contained in chapter 332-30 WAC. These requirements shall govern the port's management of state aquatic lands. The administrative procedures used to carry out these responsibilities shall be those provided for port districts under Title 53 RCW.

(1) Interpretations. Phrases used in legislation (RCW 79.90.475) providing for management agreements with ports shall have the following interpretation:

(a) "Administrative procedures" means conducting business by the port district and its port commission.

(b) "Aquatic lands abutting or used in conjunction with and contiguous to" means state-owned aquatic lands which share a common or coincident boundary with an upland parcel or in the event the state aquatic land does not attach to an upland parcel (i.e., bedlands, harbor areas, etc.), this term shall include the aquatic land adjacent to and waterward of the port owned or controlled aquatic parcel which has a common or coincident boundary to the upland parcel.

(c) "Diligently pursued" means such steady and earnest effort by the port district and the department which results in the resolution of any deficiencies preventing the issuance of a management agreement to the port.

(d) "Leasehold interest" means the benefits and obligations of both the lessor and lessee resulting from a lease agreement.

(e) "Model management agreement" means a document approved by the board of natural resources to be used for all individual management agreements with port districts.

(f) "Operating management" means the planning, organizing, staffing, coordinating, and controlling for all activities occurring on a property.

(g) "Otherwise managed" means having operating management for a property.

(h) "Revenue attributable" means all rentals, fees, royalties, and/or other payments generated from the use of a parcel; or the most likely amount of money due for the use of a parcel as determined by procedures in chapter 332-30 WAC, whichever is greater.

(2) Criteria for inclusion. State-owned parcels of aquatic lands, including those under lease or which may come under lease to a port, abutting port district uplands may be included in a management agreement if criteria set forth in RCW 79.90.475 are met and if there is documentation of ownership, a lease in good standing, or agreement for operating management, in the name of the port district for the upland parcel.

(3) A model management agreement and any amendments thereto shall be developed by the department and representatives of the port industry. The board of natural resources shall review and approve the model management agreement and any subsequent amendments.

(4) Processing requests. The following application requirements, review procedures, and time frame for responses involved in the issuance of a management agreement to a port district shall apply.

(a) Application requirements. The following items must be submitted to the department by the port district in order for its request to be an application for a management agreement:

(i) A copy of a resolution of the port commission that directs the port district to seek a management agreement;

(ii) An exhibit showing the location of and a description adequate to allow survey for each parcel of state-owned aquatic land to be included in the agreement, plus sufficient information on abutting port parcels to satisfy the requirements of subsection (2) of this section;

(iii) The name, address, and phone number of the person or persons that should be contacted if the department has any questions about the application.

(b) Time frames for responses:

(i) Within thirty days of receipt of an application, the department shall notify the port district if its application is complete or incomplete;

(ii) Within thirty days of receipt of notification by the department of any incompleteness in their application, the port district shall submit the necessary information;

(iii) Within ninety days of receipt of notification by the department that the application is complete, the port district and department shall take all steps necessary to enter into an agreement.

[Statutory Authority: 1984 c 221 and RCW 79.90.540. 84-23-014 (Resolution No. 470), §332-30-114, filed 11/9/84.]

WAC 332-30-115 HARBOR AREA USE CLASSES.

These classes are based on the degree to which the use conforms to the intent of the constitution that designated harbor areas be reserved for landings, wharves, streets and other conveniences of navigation and commerce.

(1) WATER-DEPENDENT COMMERCE. Water-dependent commerce are all uses that cannot logically exist in any other location but on the water and are aids to navigation and commerce. These are preferred harbor area uses. Leases may be granted up to the maximum period allowed by the Constitution and may be renewed. Typical uses are:

(a) Public or private vessel terminal and transfer facilities which handle general commerce including the cargo handling facilities necessary for water oriented uses.

(b) Public and private terminal facilities for passenger vessels.

(c) Watercraft construction, repair, maintenance, servicing and dismantling.

(d) Marinas and mooring areas.

(e) Tug and barge companies facilities.

(f) Log booming.

(2) WATER-ORIENTED COMMERCE. Water oriented commerce are commercial uses which historically have been dependent on waterfront locations, but with existing technology could be located away from the waterfront. Existing water-oriented uses may be asked to yield to water dependent commercial uses when the lease expires. New water-oriented commercial uses will be considered as interim uses. Typical uses are:

(a) Wood products manufacturing.

(b) Watercraft sales.

(c) Fish processing.

(d) Sand and gravel companies.

(e) Petroleum handling and processing plants.

(f) Log storage.

(3) PUBLIC ACCESS. Facilities for public access are lower priority uses which do not make an important contribution to navigation and commerce for which harbor areas are reserved, but which can be permitted providing that the harbor area involved is not needed, or is not suitable for water-dependent commerce. Leases may be issued for periods up to thirty years with possible renewals. Typical uses are:

(a) Public fishing piers.

(b) Public waterfront parks.

(c) Public use beaches.

(d) Aquariums available to the public.

(e) Underwater parks and reefs.

(f) Public viewing areas and walkways.

(4) RESIDENTIAL USE. Residential uses include apartments, condominiums, houseboats, single and multifamily housing, motels, boatels and hotels. Residential uses do not require harbor area locations and are frequently incompatible with water-dependent commerce. New residential uses will not be permitted to locate in harbor areas. This restriction on new leases differentiates residential uses from interim uses. Existing residential uses may be asked to yield to other uses when the lease expires. Proposed renewals of residential leases will require the same analysis as specified for interim uses.

(5) INTERIM USES. Interim uses are all uses other than water-dependent commerce, existing water-oriented commerce, public access facilities, and residential uses. Interim uses do not require waterfront locations in order to properly function. Leases may only be issued and reissued for interim uses in exceptional circumstances and when compatible with water dependent commerce existing in or planned for the area. See WAC 332-30-137 Nonwater-dependent uses for evaluation standards.

(6) Areas withdrawn are harbor areas which are so located as to be currently unusable. These areas are temporarily withdrawn pending future demand for constitutional uses. No leases are issued.

[Statutory Authority: RCW 79.90.105, 79.90.300, 79.90.455, 79.90.460, 79.90.470, 79.90.475, 79.90.520, 79.68.010, 79.68.68 [79.68.080], and chapter 79.93 RCW. 85-22-066 (Resolution No. 500), §332-30-115, filed 11/5/85. Statutory Authority: Chapter 79.92 RCW. 83-21-004 (Order 404, Resolution No. 433), §332-30-115, filed 10/6/83. Statutory Authority: RCW 43.30.150. 80-09-005 (Order 343), §332-30-115, filed 7/3/80.]

WAC 332-30-116 HARBOR LINE RELOCATION.

Harbor areas are established to meet the needs of navigation and commerce. Harbor line relocations must be consistent with this purpose.

- (1) Harbor line relocations should:
 - (a) Maintain or enhance the type and amount of harbor area needed to meet long-term needs of water dependent commerce; and
 - (b) Maintain adequate space for navigation beyond the outer harbor line.
- (2) When in agreement with the above guidelines, consideration of harbor line relocations should include:
 - (a) Plans and development guidelines of public ports, counties, cities, and other local, state, and federal agencies;
 - (b) Economic and environmental impacts;
 - (c) Public access to the waterfront;
 - (d) Indian treaty rights;
 - (e) Cumulative impacts of similar relocations on water dependent commerce; and
 - (f) The precedent setting effect on other harbor areas.
- (3) Procedure.
 - (a) Upon receipt of a completed harbor line relocation proposal form and SEPA checklist (if necessary), department of natural resources staff shall arrange for a public hearing.
 - (b) Notice of the hearing shall be mailed at least thirty days in advance to the concerned city, county, port district, interest groups, adjacent tide, shore or upland owners and others who indicate interest; and shall be published at least twenty days in advance in a local newspaper of general circulation.
 - (c) The hearing, conducted by a hearings officer, shall be held in the county in which the relocation is proposed. Department staff shall present the proposal and preliminary recommendations. The hearing shall be recorded.
 - (d) Comments may be submitted at the hearing or mailed to the department. Written comments must be postmarked no later than fourteen days after the hearing.
 - (e) Department of natural resources staff will finalize SEPA compliance (if necessary) and prepare a final report of recommendations to the harbor line commission.
 - (f) No later than sixty days after the date of the public hearing, the harbor line commission shall consider the staff report and public comments, then approve, modify or deny the relocation. A copy of the commission's resolution shall be sent within ten days to the proponent, the city, county, port district and other parties who have requested it.

[Statutory Authority: Chapter 79.92 RCW. 83-21-004 (Order 404, Resolution No. 433), §332-30-116, filed 10/6/83.]

mailing of the department's written notification of unauthorized occupancy of public aquatic lands.

(c) Only land rental and fees shall be charged for public aquatic lands occupied by those structures and improvements that are:

- (i) Authorized in writing by the department;
- (ii) Installed prior to June 1, 1971 (effective date of the Shoreline Management Act) on an area authorized for use from the department; or
- (iii) Covered by an application for use of aquatic lands within ninety days after the date of mailing of the department's written notification of unauthorized occupancy of public aquatic lands.

(5) INSURANCE, BONDS, AND OTHER SECURITY.

(a) The department may require authorized users of aquatic lands to carry insurance, bonding, or provide other forms of security as may be appropriate for the use or uses occurring on public property, in order to ensure its sustained utility and future value.

(b) Proof of coverage shall be acceptable to the department if provided by any of the following:

- (i) Insurance and/or bonding companies licensed by the state;
- (ii) Recognized insurance or bonding agent for the authorized user;
- (iii) Savings account assignment from authorized user to department; or
- (iv) Cash deposit.

(c) The amount of security required of each user shall be determined by the department and adjusted periodically as needed.

(i) Any portion of the required security relating to payment of rent or fees shall be limited to an amount not exceeding two year's rental or fees.

(ii) Required security related to other terms of the agreement shall be based on the estimated cost to the department of enforcing compliance with those terms.

(iii) Cash deposits shall not be required in an amount exceeding one-twelfth of the annual rental or fees. If this amount is less than the total required security, the remainder shall be provided through other forms listed in (b) of this subsection.

(d) Security must be provided on a continual basis for the life of the agreement. Security arrangements for less than the life of the agreement shall be accepted as long as those arrangements are kept in force through a series of renewals or extensions.

[Statutory Authority: 1984 c 221 and RCW 79.90.540. 84-23-014 (Resolution No. 470), §332-30-122, filed 11/9/84.]

WAC 332-30-123 AQUATIC LAND USE RENTALS FOR WATER- DEPENDENT USES.

All requirements in this section shall apply to the department and to port districts managing aquatic lands under a management agreement (WAC 332-30-114). The annual rental for water-dependent use leases of state-owned aquatic land shall be: The per unit assessed value of the upland tax parcel, exclusive of improvements, multiplied by the units of lease area multiplied by thirty percent multiplied by the real rate of return. Expressed as a formula, it is: $UV \times LA \times .30 \times r = AR$. Each of the letter variables in this formula have specific criteria for their use as described below. This step by step presentation covers the typical situations within each section first, followed by alternatives for more unique situations.

(1) OVERALL CONSIDERATIONS.

(a) Criteria for use of formula. The formula:

(i) Shall be applied to all leases having structural uses that require a physical interface with upland property when a water-dependent use occurs on such uplands (in conjunction with the water-dependent use on the aquatic lands);

(ii) Shall be used for remote moorage leases by selecting an upland parcel as detailed in subsection (2) of this section;

(iii) Shall not be used for areas of filled state-owned aquatic lands having upland characteristics where the department can charge rent for such fills (see WAC 332-30-125), renewable and nonrenewable resource uses, or areas meeting criteria for public use (see WAC 332-30-130); and

(iv) Shall cease being used for leases intended for water-dependent uses when the lease area is not actively developed for such purposes as specified in the lease contract. Rental in such situations shall be determined under the appropriate section of this chapter.

(b) Criteria for applicability to leases. The formula shall be used to calculate rentals for:

(i) All new leases and all pending applications to lease or re-lease as of October 1, 1984;

(ii) All existing leases, where the lease allows calculation of total rent by the appropriate department methods in effect at the time of rental adjustment. Leases in this category previously affected by legislated rental increase limits, shall have the formula applied on the first lease anniversary date after September 30, 1984. Other conditions of these leases not related to rent shall continue until termination or amendment as specified by the lease contract. Leases in this category not previously affected by legislated rental increase limits and scheduled for a rent adjustment after October 1, 1985, shall have the option of retaining the current rent or electing to pay the formula rent under the same conditions as specified in (iii) of this subsection.

(iii) Leases containing specific rent adjustment procedures or schedules shall have the rent determined by the formula when requested by the lessee. Holders of such leases shall be notified prior to their lease anniversary date of both the lease contract rent and formula rent. A selection of the formula rent by the lessee shall require an amendment to the lease which shall include all applicable aquatic land laws and implementing regulations.

(2) PHYSICAL CRITERIA OF UPLAND TAX PARCELS.

(a) Leases used in conjunction with and supportive of activities on the uplands. The upland tax parcel used shall be waterfront and have some portion with upland characteristics. If no upland tax parcel meets these criteria, then an alternative shall be selected under the criteria of subsection (4) of this section.

(b) Remote moorage leases. The upland tax parcel used shall be waterfront, have some portion with upland characteristics; and

(i) If the remote moorage is associated with a local upland facility, be an appropriate parcel at the facility; or

(ii) If the remote moorage is similar in nature of use to moorages in the area associated with a local upland facility, be an appropriate parcel at the facility; or

(iii) If the remote moorage is not associated with a local upland facility, be the parcel closest in distance to the moorage area.

(c) Priority of selection. If more than one upland tax parcel meets the physical criteria, the priority of selection shall be:

(i) The parcel that is structurally connected to the lease area;

(ii) The parcel that abuts the lease area;

(iii) The parcel closest in distance to the lease area.

If more than one upland tax parcel remains after this selection priority, then each upland tax parcel will be used for its portion of the lease area. If there is mutual agreement with the lessee, a single upland tax parcel may be used for the entire lease area. When the unit value of the upland tax parcels are equal, only one upland tax parcel shall be used for the lease area.

(d) The unit value of the upland tax parcel shall be expressed in terms of dollars per square foot or dollars per acre, by dividing the assessed value of the upland tax parcel by the number of square feet or acres in the upland tax parcel. This procedure shall be used in all cases even if the value attributable to the upland tax parcel was assessed using some other unit of value, e.g., front footage, or lot value. Only the "land value" category of the assessment record shall be used; not any assessment record category related to improvements.

(3) CONSISTENT ASSESSMENT. In addition to the criteria in subsection (2) of this section, the upland tax parcel's assessed value must be consistent with the purposes of the lease and method of rental establishment. On this basis, the following situations will be considered inconsistent and shall either require adjustment as specified, or selection of an alternative upland tax parcel under subsection (4) of this section:

(a) The upland tax parcel is not assessed. (See chapter 84.36 RCW Exemptions);

(b) Official date of assessment is more than four years old. (See RCW 84.41.030);

(c) The "assessment" results from a special tax classification not reflecting fair market value. Examples include classifications under: State-regulated utilities (chapter 84.12 RCW), Reforestation lands (chapter 84.28 RCW), Timber and forest lands (chapter 84.33 RCW), and Open space (chapter 84.34 RCW). This inconsistency may be corrected by substituting the full value for the parcel if such value is part of the assessment records;

(d) If the assessed valuation of the upland tax parcel to be used is under appeal as a matter of record before any county or state agency, the valuation on the assessor's records shall be used, however, any changes in valuation resulting from such appeal will result in an equitable adjustment of future rental;

(e) The majority of the upland tax parcel area is not used for a water-dependent purpose. This inconsistency may be corrected by using the value and area of the portion of the upland tax parcel that is used for water-dependent purposes if this portion can be segregated from the assessment records; and

(f) The size of the upland tax parcel in acres or square feet is not known or its small size results in a nominal valuation, e.g., unbuildable lot.

(4) SELECTION OF THE NEAREST COMPARABLE UPLAND TAX PARCEL. When the upland tax parcel does not meet the physical criteria or has an inconsistent assessment that can't be corrected from the assessment records, an alternative upland tax parcel shall be selected which meets the criteria. The nearest upland tax parcel shall be determined by measurement along the shoreline from the inconsistent upland tax parcel.

(a) The alternative upland tax parcel shall be located by order of selection priority:

(i) Within the same city as the lease area, and if not applicable or found;

(ii) Within the same county and water body as the lease area, and if not found;

(iii) Within the same county on similar bodies of water, and if not found;

(iv) Within the state.

(b) Within each locational priority of (a) of this subsection, the priority for a comparable upland tax parcel shall be:

(i) The same use class within the water-dependent category as the lease area use;

(ii) Any water-dependent use within the same upland zoning;

(iii) Any water-dependent use; and

(iv) Any water-oriented use.

(5) AQUATIC LAND LEASE AREA. The area under lease shall be expressed in square feet or acres.

(a) Where more than one use class separately exist on a lease area, the formula shall only be applied to the water-dependent use area. Other use areas of the lease shall be treated according to the regulations for the specific use.

(b) If a water-dependent and a nonwater-dependent use exist on the same portion of the lease, the rent for such portion shall be negotiated taking into account the proportion of the improvements each use occupies.

(6) REAL RATE OF RETURN.

(a) Until July 1, 1989, the real rate of return to be used in the formula shall be five percent.

(b) On July 1, 1989, and on each July 1 thereafter the department shall calculate the real rate of return for that fiscal year under the following limitations:

(i) It shall not change by more than one percentage point from the rate in effect for the previous fiscal year; and

(ii) It shall not be greater than seven percent nor less than three percent.

(7) ANNUAL INFLATION ADJUSTMENT OF RENT. The department shall use the inflation rate on a fiscal year basis e.g., the inflation rate for calendar year 1984 shall be used during the period July 1, 1985 through June 30, 1986. The rate will be published in a newspaper of record. Adjustment to the annual rent of a lease shall occur on the anniversary date of the lease except when the rent is redetermined under subsection (9) of this section. The inflation adjustment each year is the inflation rate times the previous year's rent except in cases of stairstepping.

(8) STAIRSTEPPING RENTAL CHANGES.

(a) Initial increases for leases in effect on October 1, 1984. If the application of the formula results in an increase of more than one hundred dollars and more than thirty-three percent, stairstepping to the formula rent shall occur over the first three years in amounts equal to thirty-three percent of the difference between each year's inflation adjusted formula rent and the previous rent.

Example

Previous rent= \$100.00 Formula rent= \$403.00 Inflation= 5%/yr.

Yr.	Formula Rent	Previous Rent	Difference	33%	Stairstep Rent
1	\$403.00	\$100.00	\$303.00	\$100.00	\$200.00
2	423.15	100.00	323.15	106.64	306.64
3	444.31	100.00	344.31	113.62	420.26
4	466.52	-	-	-	466.52

(b) Initial decreases for leases in effect on October 1, 1984. If the application of the formula results in a decrease of more than thirty-three percent, stairstepping to the formula rent shall occur over the first three years in amounts equal to thirty-three percent of the difference between the previous rent and each year's inflation adjusted formula rent.

Example

Previous rent= \$403.00 Formula rent= \$100.00 Inflation= 5%/yr.

Yr.	Previous Rent	Formula Rent	Difference	33%	Stairstep Rent
1	\$403.00	\$100.00	\$303.00	\$100.00	\$303.00
2	403.00	105.00	298.00	98.34	204.66
3	403.00	110.25	292.75	96.61	108.05
4	-	115.76	-	-	115.76

(c) If a lease in effect on October 1, 1984, contains more than one water- dependent or water-oriented use and the rental calculations for each such use (e.g., log booming and log storage) result in different rentals per unit of lease area, the total of the rents for those portions of the lease area shall be used to determine if the stairstepping provisions of (a) or (b) of this subsection apply to the lease.

(d) If a lease in effect on October 1, 1984, contains a nonwater-dependent use in addition to a water-dependent or oriented use, the stairstepping provisions of (a) or (b) of this subsection:

(i) Shall apply to the water-dependent use area if it exists separately (see subsection (5)(a) of this section);

(ii) Shall not apply to any portion of the lease area jointly occupied by a water-dependent and nonwater-dependent use (see subsection (5)(b) of this section).

(e) Subsequent increases. After completion of any initial stairstepping under (a) and (b) of this subsection due to the first application of the formula, the rent for any lease or portion thereof calculated by the formula shall not increase by more than fifty percent per unit area from the previous year's per unit area rent.

(f) All initial stairstepping of rentals shall only occur during the term of existing leases.

(9) The annual rental shall be redetermined by the formula every four years or as provided by the existing lease language. If an existing lease calls for redetermination of rental during an initial stairstepping period, it shall be determined on the scheduled date and applied (with inflation adjustments) at the end of the initial stairstep period.

[Statutory Authority: 1984 c 221 and RCW 79.90.540. 84-23-014 (Resolution No. 470), §332-30-123, filed 11/9/84.]

WAC 332-30-125 AQUATIC LAND USE RENTAL RATES FOR NONWATER-DEPENDENT USES.

All requirements in this section shall apply to the department and to port districts managing aquatic lands under a management agreement (WAC 332-30-114).

(1) The value of state-owned aquatic lands withdrawn from general public use for private nonwater-dependent use shall be recognized by charging lessees the full fair market rental. No rent shall be charged for improvements, including fills, on aquatic lands unless owned by the state. The fair market rental is based on: (a) Comparable non-DNR market rents, whether based on land value exclusive of improvements, a percent of gross revenues, or other appropriate basis, or if not available (b) the full market value (same as true and fair value) multiplied by the use rate percentage as determined under subsection (2) of this section and published in the Washington State Register.

(2) Use rate percentage.

(a) The percentage rate will be based on nondepartmental market rental rates of return for comparable properties leased on comparable terms in the locality, or when such do not exist;

(b) The percentage rate of return shall be based on the average rate charged by lending institutions in the area for long term (or term equivalent to the length of the lease) mortgages for comparable uses of real property.

(3) Appraisals: The determination of fair market value shall be based on the indications of value resulting from the application of as many of the following techniques as are appropriate for the use to be authorized:

(a) Shore contribution; utilizing differences in value between waterfront properties and comparable nonwaterfront properties. Generally best for related land-water uses which are independent of each other or not needed for the upland use to exist.

(b) Comparable upland use (substitution); utilizing capacity, development, operation, and maintenance ratios between a use on upland and similar use on aquatic land with such ratios being applied to upland value to provide indication of aquatic land value for such use. Generally best for aquatic land uses which are totally independent of adjacent upland yet may also occur on upland totally independent of direct contact with water.

(c) Extension; utilizing adjacent upland value necessary for total use as the value of aquatic lands needed for use on a unit for unit basis. Generally best for aquatic land uses which are integrated with and inseparable from adjacent upland use.

(d) Market data; utilizing verified transactions between knowledgeable buyers and sellers of comparable properties. Generally best for tidelands or shorelands where sufficient data exists between knowledgeable buyers and sellers.

(e) Income; utilizing residual net income of a commercial venture as the indication of investment return to the aquatic land. This can be expressed either as a land rent per acre or as a percent of gross revenues. Generally best for income producing uses where it can be shown that an owner or manager of the operation is motivated to produce a profit while recognizing the need to obtain returns on all factors of production.

WAC 332-30-137 NONWATER-DEPENDENT USES.

POLICY. Nonwater-dependent use of state-owned aquatic lands is a low priority use providing minimal public benefits. Nonwater-dependent uses shall not be permitted to expand or be established in new areas except in exceptional circumstances and when compatible with water-dependent uses existing in or planned for the area. Analysis under this section will be used to determine the terms and conditions of allowable nonwater-dependent use leases. The department will give public notice of sites proposed for nonwater-dependent use leases.

(1) EXCEPTIONAL CIRCUMSTANCES. The following are exceptional circumstances when nonwater-dependent uses may be allowed:

(a) Nonwater-dependent accessory uses to water-dependent uses such as delivery and service parking, lunch rooms, and plant offices.

(b) Mixed water-dependent and nonwater-dependent development. The water-dependent component shall be a major project element. The nonwater-dependent use shall significantly enhance water-dependent uses and/or resources of state-wide value.

(c) Nonwater-dependent uses in structures constructed, or on sites filled, prior to June 30, 1985.

(d) Expansion or realignment of essential public nonwater-dependent facilities such as airports, highways and sewage treatment plants where upland topography, economics, or other factors preclude alternative locations.

(e) When acceptable sites and circumstances are identified in adopted local shoreline management master

programs which provide for the present and future needs of all uses and resources of state-wide value, identify specific areas or situations in which nonwater-dependent uses will be allowed, and justify the exceptional nature of those areas or situations.

(2) COMPATIBILITY WITH WATER-DEPENDENT USES. Nonwater-dependent uses will only be allowed when they are compatible with water-dependent uses existing in or planned for the area. Evaluation of compatibility will consider the following:

(a) Current and future demands for the site by water-dependent uses.

(b) The effect on the usefulness of adjacent areas for water-dependent uses.

(c) The probability of attracting additional water-dependent or nonwater-dependent uses.

(d) Subsidies offered to water-dependent uses.

(3) EVALUATION. Proposed nonwater-dependent uses will be evaluated individually. Applicants must demonstrate the proposed nonwater-dependent uses are consistent with subsections (1) and (2) of this section and any other applicable provisions of this chapter.

(4) RE-LEASES. Re-leases of nonwater-dependent uses will be evaluated as new uses. If continuance of the nonwater-dependent use substantially conflicts with uses or resources of state-wide value or with shoreline master program planning or supplemental planning developed under WAC 332-30-107(5), or if the site is needed by a use of state-wide value, the re-lease will not be approved.

[Statutory Authority: RCW 79.90.105, 79.90.300, 79.90.455, 79.90.460, 79.90.470, 79.90.475, 79.90.520, 79.68.010, 79.68.68 [79.68.080], and chapter 79.93 RCW. 85-22-066 (Resolution No. 500), §332-30-137, filed 11/5/85.]

LOAN SECURITY AGREEMENTS

2332

ASSIGNEE

ASSIGNOR

SEPT 14, 1981	SEAGATE, INC	103,400	SEA BRIM, INC.	IF SEABRIM -MUS-GOE TO SEAGATE
SECONDARY AND SUBORDINATE JUNE 13, 1983	(b) (6)	1,600,000	PORT WASH. prop.	
JUNE 13, 1983	UNIVERSITY FEDERAL SAVINGS	1,600,000	PORT WASHINGTON prop.	
* JULY 8, 1983	SEA BRIM, INC	↓	SEAGATE, INC	

* IS A RE-LEASE/ASSIGNMENT - FOR RELEASE OF LOAN SECURITY. "RELEASES AND SATISFIES ALL COLLATERAL INTEREST EVIDENCED BY PREVIOUS LEASE ASSIGNMENT FOR LOAN SECURITY."

2396

SEPT 14 1981	SEAGATE	103,400	SEA GATE, INC	
SECONDARY AND SUBORDINATE JUNE 13, 1983	(b) (6)	1,600,000	PORT WASH prop	
JUNE 13, 1983	UNIV. FED. SAVINGS	1,600,000	PORT WASH prop	
* JULY 8, 1983	SEA BRIM, INC	↓	SEA GATE, INC	

* IS A RE-LEASE/ASSIGNMENT - FOR RELEASE OF LOAN SECURITY. SAME AS ABOVE

2399

SECONDARY AND SUBORDINATE JUNE 13, 1983	(b) (6)	1,600,000	PORT WASH prop.	
JUNE 13, 1983	UNIV. FED. SAVINGS	1,600,000	PORT WASH prop	

10,000
.65

365,000

3.500

G.D.R.
ASSN.
COLONIAL
MANNOR

CPN

2711-000-010-0002

PINKING LOT

~~3711-000-074~~

112401-3-074-2009

CONTR

2399

Exp

MAY 7, 1986 TO

Nov 1, 2004

MAY

1993

MAY

2332

Nov 1 74 TO Nov 1

2004

Nov 92

MAY

2396

Nov 1 76

Nov 1 2004

Nov 92 MAY

CREDIT

USE 2332 → AND ~~CHARGE~~ CREDIT FOR
 THE 6 MONTHS RENT PAID FOR
 UNDER LEASE No. 2399

PORT WASHINGTON MANNA Q'S

① WHAT WAS DONE TO STABILIZE THE BANK AND ADDRESS THE CETY'S SEVERE FIN PROBLEM FROM THE LAW SUITS.

② ~~Do~~ WHAT DO I NEED TO DO IN RELATION TO THE ~~SUB CASE~~ SUB CASE - NEW APPROVAL?

③ WHAT ABOUT LOAN SECURITIES - PROOF THAT THEY ARE SATISFIED OR NEW ONE FOR THE BALANCE STILL OWED? ARE LOANS SATISFIED
VINTY FED SUITS LOAN

④ GET FINRA CORPS PERMITS FOR DREPER & NEW KIPRA. GET FROM CORPS

⑤ PORT WITH MANNA OWNERS ASSN VS. PORT WASH PROPERTIES. (SEE 1984 ASSIGNMENT 2332)
? NEED ~~ASSN~~ TO FIND OUT WHO IS PRESIDENT OF ASSN
ASSIGNMENT? INVO ASSIGNMENT?

⑥ GET ADDRESS OF ~~PORT WASH. PROPERTIES, INC.~~ PORT WASH CREDITORS OWNERS ASSN.

⑦ IS PORT WASHINGTON MANNA CONDOMINIUM ASSOCIATION THE SAME AS PORT WASHINGTON MANNA OWNERS ASSOCIATION?

⑧ NEED SOMETHING FROM PRES OF ASSN THAT PORT WASH CREDITORS OWNERS ASSN AGREES TO TRY

SMITH, SMART, HANCOCK, TABLER & MIDDLEBROOKS

ATTORNEYS AT LAW

3800 COLUMBIA SEAFIRST CENTER
701 FIFTH AVENUE
SEATTLE, WASHINGTON 98104

November 30, 1989

TELEPHONE
(206) 624-7272

TELECOPIER
(206) 624-5581

J. DIMMITT SMITH
DOUGLAS J. SMART*
DAVID HANCOCK**
WALTER S. TABLER
JAMES C. MIDDLEBROOKS
JOYCE S. SCHWENSEN
ALISON D. BIRMINGHAM
NEAL R. MALMSTEN
ANNE B. TIURA
BRUCE L. TURCOTT
KAREN A. WILLIE

*ALSO ADMITTED IN NJ
**ALSO ADMITTED IN WIS

Mr. Terry Roswall
Department of Natural Resources
Division of Aquatic Lands
MS QW-21
Olympia, WA 98504

Re: Port Washington Marina
Bremerton, Washington

HAL No. 2332
HAL No. 2396
HAL No. 2399
~~HAL No. 2523~~

EOT 12/1/89

Dear Mr. Roswall:

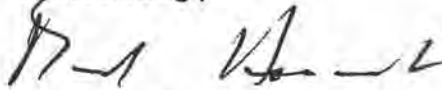
As we discussed today, hereafter please send all billings for payments due under the above-referenced leases to the lessee as follows:

Al Warlick, President
Port Washington Marina Owners
Association
510 Rainier Avenue South
Seattle, WA 98144

We understand that billings have already gone out for the lease year November, 1989, through November, 1990, directed to Bradley & Scott, which formerly managed the property for the Owners Association. However, the Owners Association is now reconstituted, with Mr. Warlick as the President of its Board of Directors. Please rebill for the 1989-90 year directly to Mr. Warlick.

Thanks very much in advance.

Sincerely,



David Hancock

DH/mc
cc: Al Warlick
D03-10

SARAH L. WALLACE

Attorney at Law

P.O. Box 11338, Bainbridge Island, WA 98110 (206) 598-3710

October 30, 1989

State of Washington
Department of Natural Resources
Public Lands Building
Olympia, WA 98504

CERTIFIED MAIL


RE: Harbor Lease Numbers 2332, 2396, 2399 and Assignment of
Harbor Area Leases dated 11/1/83, recorded under Kitsap
County Auditor's File Number 8312290194

To Whom It May Concern:

Please be advised that I represent some of the individual owners who comprise the Port Washington Marina Owners Association. As you can see from the enclosed Complaint and Answer/Third-Party Complaint, litigation has occurred with regard to some alleged encroachments by the Marina.

Pursuant to the lease requirements, we are notifying you at the above address, as provided in the lease #HA 2396. We are pursuing the defense of the lawsuit and counterclaiming for title, based upon a theory of adverse possession. We trust that this information will sufficiently apprise you of the situation that the Marina is taking care of.

Sincerely,


SARAH L. WALLACE
SLW/ty

Enclosures (2- Complaint and Answer)

2332, 2396, 2399
original to 2332, 2396, 2399
11/1/83

Treece, Richdale, Malone, Corning & Abbott

ATTORNEYS AT LAW

A Professional Service Corporation

1718 Northwest 56th Street
Post Office Box 70467
Seattle, Washington 98107-0467

Telephone: (206) 789-2111
Fax: (206) 782-1749

May 31, 1989

State of Washington
Department of Natural Resources
John A. Cherberg Building
Olympia, WA 98504

Attn: Acquatic Lands Division

Re: Harbor Lease Numbers 2332, 2396, 2399, and Assignment
of Harbor Area Leases dated 11/1/83, recorded under
Kitsap County Auditor's File Number 8312290194

Gentlemen:

Please be advised that this office represents the Port Washington Marina Condominium Owners Association. The Port Washington Marina is located in Bremerton, Washington at Anderson Cove.

On November 1, 1983, the above-described harbor area leases were assigned to the Association by the State of Washington. A portion of the leasehold area consists of a Harbormaster Building which we understand was located on the leasehold property well prior to execution of the subject leases. We also understand the Department of Natural Resources is of the position that the subject Harbormaster Building is part of the land leased under the above-described Harbor Leases.

The Association has just been recently served with a lawsuit seeking to eject the Association from the Harbormaster House and adjacent structures. We have attached hereto a copy of the Complaint for your reference, and am notifying you of the subject lawsuit in accordance with the terms of the subject leases.

As evidenced by the Complaint, it is the position of the plaintiffs that the Harbormaster House encroaches upon plaintiff's property, and plaintiffs are seeking either damages or a mandatory injunction requiring removal of the structures. It is our intent to counterclaim to quiet title to these structures on the theory of adverse possession. We understand the state has evidence, including pictures, in its files establishing that the Harbormaster Building has been at this location for many years.

According to (b) (6) this
issue has been settled. 10/27/89
Tux

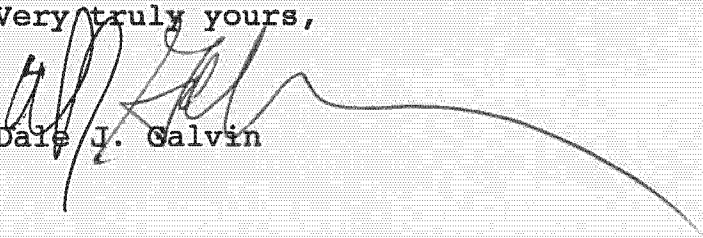
James V. Abbott
Jill E. Bliss
Nicholas F. Corning
Andrew Curtis, Jr.
Roberta E. Doyle
Dale J. Galvin
Lise Kenworthy
Gary Krohn
Thomas W. Malone
Gary K. Marshall
David A. Richdale
Mark Schoener
Karl B. Tegland
Thomas M. Treece
Of Counsel:
James W. Abbott

Dept. of Natural Resources
May 31, 1989
Page 2

It is also our intent to pursue a claim against the state for contribution in the event the plaintiffs are successful in their lawsuit.

We believe it will be to the benefit of the Association and the state to work closely together to defend this matter, and accordingly, we would ask that upon receipt of this letter that you immediately contact us to discuss the matter in further detail.

Very truly yours,



Dale J. Galvin

Enclosure
cc: Sarah Wallace
Estelle Bunker
Karl Gauglitz
pf/aquatic.ltr
G045-BAB

TO: John

FROM: Bob

SUBJECT: 2332, 2396, 2399 amend, to combine

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE: 10/24/88

attached is a first cut at what will go down the
hole when goes for signature.

all 3 leases are built out w/ slips
have wanted to combine for some time, will
allow them to go quarterly payments, one
\$13,000 bond, etc.

SIGNED

REPLY

O.H.
John

Send 'em
out Tom

Bob

Bob
10/25/88

Sorry,

Bob said that I could
store these here until the
documents come back
signed. Then we can start
the work on the Department
Orders.

Marci

pink copy with reply.

3

**BRADLEY
SCOTT, INC.**

400 Warren Avenue • Suite 450
Bremerton, Washington 98310
Phone: 479-6900

*Terry.
I talked w/ Bob 10/18/88
He is sending letter requesting
lease be continued.
JTB*

October 10, 1988

Department of Natural Resources
Division of Aquatic Lands
Mail Stop QW 21
Olympia, Washington 98504

Attention: LARRY LEDGERWOOD

Reference: LEASE #22-002332, LEASE #22-02396, LEASE #22-002399

Dear Larry:

On behalf of the Port Washington Marina Owners Association, we are requesting that the payments on the above leases be made on a quarterly basis.

We recently received billings for the full annual amount on two of the leases and we paid the annual amount on the third lease in May. If a quarterly payment is acceptable, please reissue a billing to our attention.

Sincerely,



Robert J. Macht
Director
Property Management Division

RJM:ddl



WASHINGTON STATE DEPARTMENT OF
Natural Resources

BRIAN BOYLE
Commissioner of Public Lands

OLYMPIA, WA 98504

October 6, 1987

Port Washington Marina Owners Association
1805 Thompson
Bremerton, WA 98310

Dear Sir/Madam::

Enclosed is a final copy of Amendment to Lease, Nos. HA-2396 and
HA 2332 for your records.

If you should have any questions, feel free to contact Robert Hoyser
at (206) 753-7158.

Sincerely,

Nora Ray
Division of Aquatic Lands

c/enc: HA-2396 and HA 2332

2639 2

Treece, Richdale, Malone, Corning & Abbott

ATTORNEYS AT LAW

A Professional Service Corporation

1718 Northwest 56th Street
Post Office Box 70467
Seattle, Washington 98107-0467
Telephone: (206) 789-2111
Fax: (206) 782-1749

July 1, 1988

James V. Abbott
Nicholas F. Corning
Andrew Curtis, Jr.
Roberta E. Doyle
Dale J. Galvin
Lise Kenworthy
Gary Krohn
Thomas W. Malone
David A. Richdale
Mark Schoener
Karl B. Tegland
Thomas M. Treece
Of Counsel:
James W. Abbott

Mr. Terry Roswall
Lease Administrator
Department of Natural Resources
Division of Aquatic Lands
Mail Stop QW-21
Olympia, WA 98504

Re: Port Washington Marina
Harbor Leases 2396, 2399, and 2332

File In

Dear Mr. Roswall:

We represent the Port Washington Marina Owners Association, Lessee on the above-referenced leases. The Association has submitted an application to the Army Corps of Engineers for approval of a slope restoration project which is necessary to stabilize the beach and previously dredged slope to prevent further beach erosion. The project will consist of:

1. Excavating or dredging approximately 3,500 cubic yards of native material;
2. Placing approximately 2,300 cubic yards of gravel filler and 2,200 cubic yards of riprap on newly excavated slope; and
3. Placing approximately 2,200 cubic yards of gravel fill on the shore side of the riprap.

On behalf of the Port Washington Marina Owners Association, we request approval of this project by the Department of Natural Resources.

I anticipate that you will be receiving a copy of the permit application from the Army Corps of Engineers in the near future. We will appreciate your expeditious processing of this matter as it is essential that the project be started as soon as possible in order to institute the planned preventative measures before winter.

Mr. Roswall

-2-

July 1, 1988

Please call either me or attorney Dale Galvin if you have any questions about this matter, or if there is anything further required of us.

Very truly yours,

TREECE, RICHDAL, MALONE,
CORNING & ABBOTT, P.S.

A handwritten signature in cursive script, appearing to read "Nelson Christensen".

Nelson Christensen

NC:dt
9H:ROSWALL.LTR

cc: Karl F. Gauglitz
Ian A. Rodihan



WASHINGTON STATE DEPARTMENT OF
Natural Resources

BRIAN BOYLE
Commissioner of Public Lands

OLYMPIA, WA 98504

December 26, 1986

*PLEASE CORRECT
ADDRESS
Done 1/15/87*

DEFAULT ADVISORY

~~Port Washington Marina
Homeowners Association
219 1st Ave N, #310
Seattle, WA 98109-4208~~

PORT WASHINGTON MARINA
P.O. BOX 4206
1805 THOMPSON AVE.
BREMERTON, WA 98312
285-0421 OR 749-3037

Under your agreement with us, No. 22-002332, \$3,637.96 was due on November 13, 1986. Our previous notifications continue to remain unanswered.

Please be advised, if full payment is not received by January 23, 1987, your account will be charged additional interest at the rate of 1% per month. We will also be compelled to declare the lease in default and will proceed to terminate the lease according to the terms of your contract.

Please contact me immediately at (206) 753-7158.

Robert G. Hoyser, Lease Administrator
Division of Aquatic Lands

c: #22-002332
Third Notice
Bonding Co and/or Loan Security

*MIB 101442
IB 107629*

John Davis

8587

- ① Can't fore close st. fee prop.
- ② Have reversion in unprop - would oppose any forced. of our reversion
- ③ Won't consent to any liens aq. leasehold.

Lien on sublease prob. wouldn't trigger default of Master Lease. (must look @ Master Lease)

State — Port Wash. Prop. Inc
↓ assigned (before 82)
↓

PWP Condo Owners Assoc
↓ subleased ship
↓
X

March 84

Davis filed suit against
PWP Inc. for ship 14

State — PWP Inc
Condo Owners Assoc. (ordered the work 1982)

↓ assign ~~to PWP Inc~~

PWP Condo Owners Assoc. (Blessed)

↓ sublease
owns slip 14

2/5/87

John Davis

PW Condo Owners Assoc

3 bases

3-4 yrs ago did Condo. forms
(we pre-consent)

Surveyors March 84
ag PWP Inc
Davis has filed a lien ag. slip 14
PW Condo Owners Assoc ordered
work, were owner @ the time,
since then assigned to
sublessee

Will we allow ~~them~~ his client
to have a lien on a
sublease

not state -

Bob - Imp. owned ~~by~~
∴ no interest

Davis sued PWP Inc after
it had assigned

JOHN M. DAVIS, JR.

ATTORNEY AT LAW
2200 LONG LAKE RD. S.E.
PORT ORCHARD, WA 98366
(206) 871-0926

July 30, 1987

- Don't care if foreclosure
w. sub lease
improvements
- However, if they do go
for the master lease,
we will need your consent.

Mr. Robert Hoyser
State Department of Natural Resources,
Aquatic Lands Division
John Cherberg Building
Mail Stop QW21
Olympia, WA 98504

Dear Mr. Hoyser:

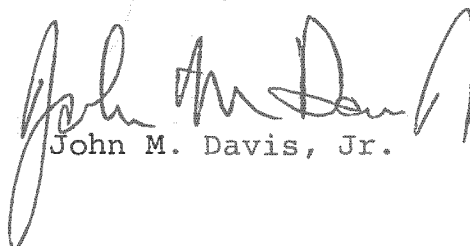
Re: Ward Muller, Surveyor/Port Washington Marina Condominium

This confirms my call to you on July 30, 1987. I am enclosing here-
with the Assignment of Harbor Area Leases from Port Washington Prop-
erties, Inc. to Port Washington Marina Condominium Owners Association,
a copy of a Moorage Slip Sublease to the owner and boat slip in
question, a copy of the Claim of Lien, and a copy of the Lis Pendens
and a copy of page one of the Complaint for Foreclosure of Lien.

I am raising a question regarding consent and the status of the
assignor, Port Washington Properties, Inc. as it might relate to Ward
Muller's claim.

I believe I will be amending my complaint to include a claim of Un-
just enrichment against the holders of the various lease hold interests.
I am sending these materials to you so that you are able to better
advise what position the State of Washington has or might take.
Please reply in the near future if you can.

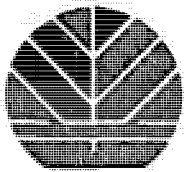
Very truly yours,


John M. Davis, Jr.

Enclosures

JMD:cra

Did not name condominium owners Assn.



WASHINGTON STATE DEPARTMENT OF
Natural Resources

BRIAN BOYLE
Commissioner of Public Lands

OLYMPIA, WA 98504

December 26, 1986

DEFAULT ADVISORY

Port Washington Marina
Homeowners Association
219 1st Ave N, #310
Seattle, WA 98109-4208

Under your agreement with us, No. 22-002332, \$3,637.96 was due on November 13, 1986. Our previous notifications continue to remain unanswered.

Please be advised, if full payment is not received by January 23, 1987, your account will be charged additional interest at the rate of 1% per month. We will also be compelled to declare the lease in default and will proceed to terminate the lease according to the terms of your contract.

Please contact me immediately at (206) 753-7158.

Robert G. Hoyser, Lease Administrator
Division of Aquatic Lands

c: ✓ #22-002332
Third Notice
Bonding Co and/or Loan Security



WASHINGTON STATE DEPARTMENT OF
Natural Resources

Original to Esko, NDC
+ c to files
2396
2399
2332
235-23

BRIAN BOYLE
Commissioner of Public Lands

OLYMPIA, WA 98504

December 2, 1986

MEMORANDUM

TO: John DeMeyer, Aquatic Lands Division Manager
FROM: Bill Phillips, Engineering Division
SUBJECT: Port Washington Marina

42-17.310
(i) & (j)

On November 12, 1986, Terry Roswell and myself visited Port Washington Marina with Mr. MacKenzie of the City of Bremerton to discuss beach damage caused by dredging done in 1983. The City of Bremerton had dredging performed by Port Washington Marina in 1983. The dredging has caused erosion and has damaged their old 8-inch pressure sewer line. The history of events are as follow:

1983 - Port Washington Marina dredges the toe of the beach to allow free float of their floating dock. City of Bremerton notices that beach erosion has uncovered their 8-inch sewer main; the line is undermined in some areas, and the City feels a line failure may occur.

Late 1983 - City of Bremerton replaces the existing 8-inch line with a new 12-inch line located near the toe of the bluff.

December 1983 - Port Washington Marina installs their docks.

Spring of 1984 - Port Washington Marina installs filter fabric to the east portion of the beach to abate erosion and protect the boat house.

Fall of 1984 - Port Washington Marina installs filter fabric to the remainder of the affected beach.

Upon my visit to the site, my observations are as follows:

The existing beach material is composed of clay, silt and sand (the drilling reports from CH₂M Hill confirm this layer to be at least 8 feet in depth). The dredging operation left the exposed beach slope at an angle far in excess of the repose angle needed to withstand the natural currents which pass parallel to the beach.

John DeMeyer
December 2, 1986
Page 2

Port Washington Marina has made some attempts to abate the erosion, but it appears that substantial degradation occurred prior to their efforts. The east end of the beach has been covered with fabric and ballast (4-inch minus) covering the cut slope and portions of the upper beach. This appears to have been done in an effort to protect the existing boat house.

The central and westerly portion of the beach have been covered by fabric, which is weighed down by sand bags. The fabric appears to be in the process of decay, and many areas are now uncovered and exposed due to the current pulling the fabric loose.

Mr. MacKenzie showed me some of the monitoring points set by the consultant, and it appears that 2 to 6 inches of uniform erosion has occurred since their placement.

While observing the toe of the bluff, some new erosion due to tidal action is present. Bluff erosion is in the form of a minor amount of soil slippage caused by the removal of the supporting toe material.

To conclude, my findings are as follow:

The dredging had some effect in exposing the City of Bremerton's sewer main. The Port Washington Marina acknowledged the beach erosion problem and made some attempt to abate any further loss of beach material. Their efforts were only marginally successful and the loss of material is continuing. To complete the abatement process, the cut slope needs to be trimmed, protected with new fabric, and covered with angular stone ranging in size from 10 to 12 inches. If erosion abatement is not completed, the beach will continue to degrade and undermine the bluff. If the bluff is undermined, the stability of the apartment building at the top of the bluff will be jeopardized.

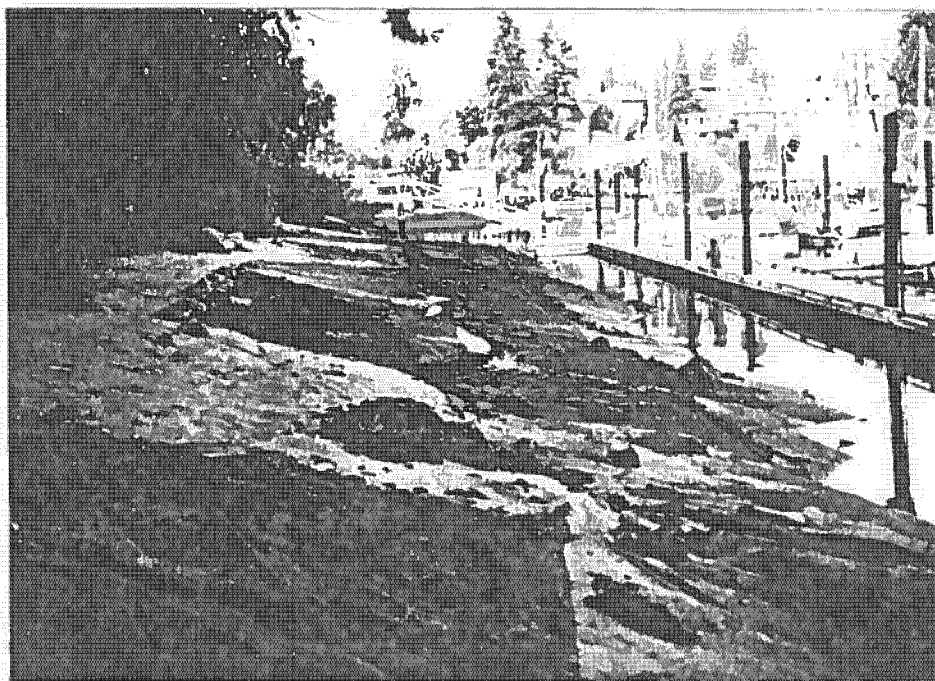
The City of Bremerton will be sending me a copy of their consultant's conclusions. After I get an opportunity to study this, I will submit a follow-up report.

If you have any questions regarding my report, please contact me at 753-2093.

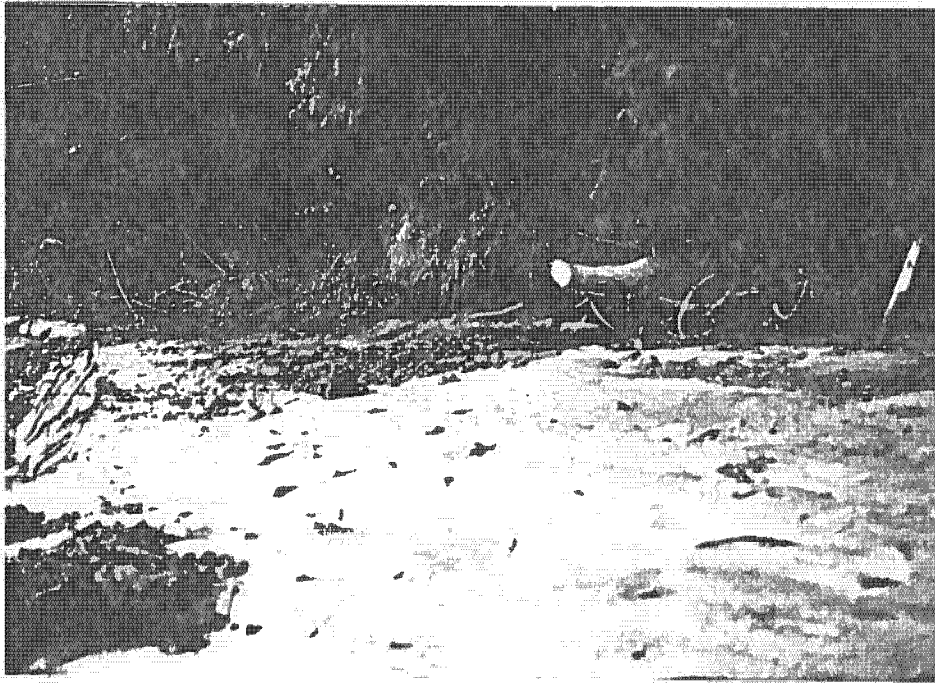
BEP:rcm
Attachments
cc: Grant Fredricks
Paul Bourgault
Ray Sherman



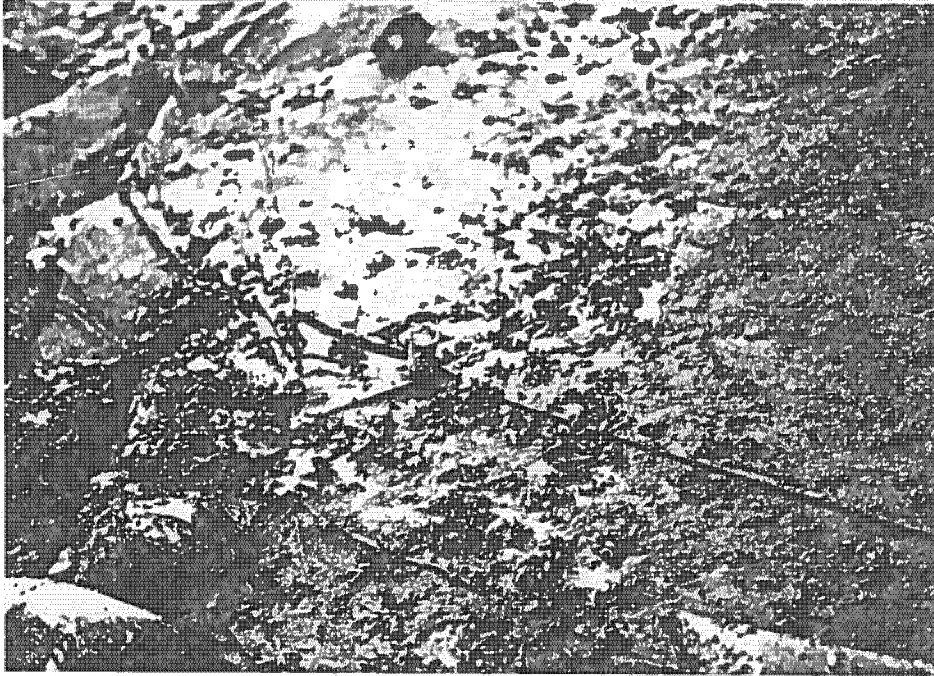
Movement of filter fabric. Stone covering on easterly part of beach.



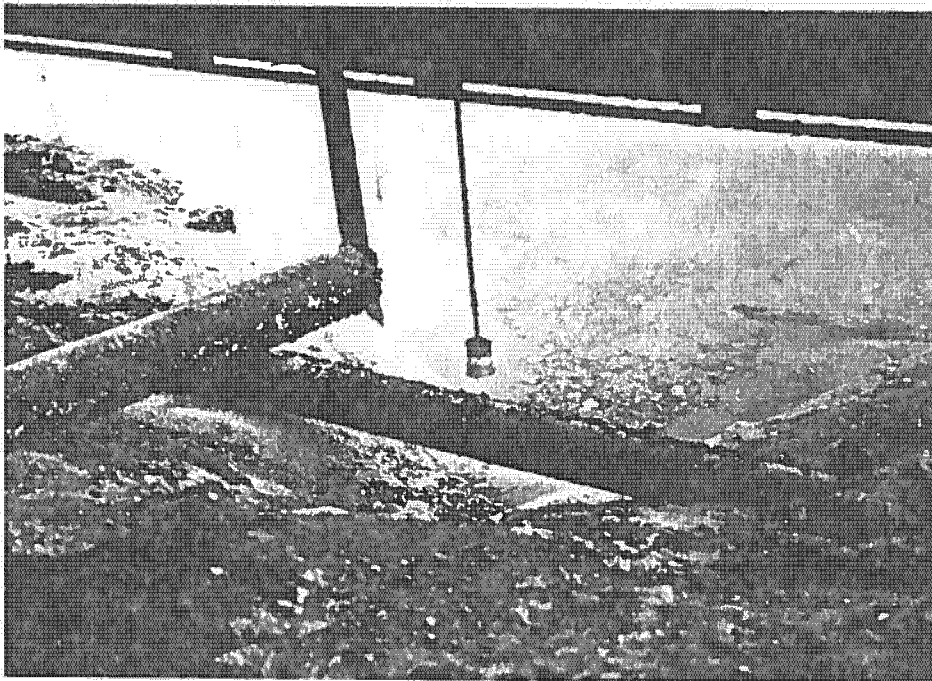
Note how beach toe is seeking repose by sluffing into dredged channel.



Note the undermining of the slope and movement of filter fabric.



Monitoring Point



Exposed 8" sewer line



Note size of imported stone.

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
RICHARD W. PIERSON
STEPHEN P. RYDER
JOHN A. MCHUGH *
DALE L. KINGMAN
DAVID SHIMEK **
MAX N. PEABODY ***
MICHAEL E. RICKETTS
—
MEL MONHEIMER
OF COUNSEL

* ALSO ADMITTED IN ILL. AND CALIF.
** ADMITTED IN ALASKA ONLY
*** ADMITTED IN ALASKA AND WASH.

1023 COLUMBIA STREET
SEATTLE, WASHINGTON 98104
(206) 622-1264
TELEX: 370298

September 10

Ann, this a long thing?
Bob 9/12/86
I don't think so. Please ask them for a copy of complaint

HA 2332

Page - 1

Letter -

To: Commissioner

From:

John A.

McHugh

Sept 10, 197?

Commissioner of Public Lands
of Washington, Department of
Lands Building
Washington 98504

Kitsap County Harbor Area Lease
Nos. HA2332, HA2396, HA2399, and HA2523

To Whom It May Concern:

This letter will constitute notice by Port Washington Properties, Inc. to your office of the filing of a lawsuit in the Kitsap County Superior Court entitled (b) (6) et al. v. Port Washington Properties, Inc., Kitsap County Cause No. 86-2-01398-1. Such action affects the above-described harbor area leases.

This office agreed last week to accept service of the above Complaint on behalf of Port Washington Properties. The pleading was apparently filed at an earlier date but service of process remained outstanding. We indicated to counsel for Colonial Manor that we would seek authorization from Port Washington to accept service.

Tender of defense of the above action has been made by Port Washington Properties to its liability carriers, Fireman's Fund Insurance Company and Consolidated American Insurance Company. The insured understands that Fireman's Fund may accept defense under a reservation of rights which has not been delivered. Consolidated American is still reviewing the tender.

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.
ATTORNEYS AT LAW

Commissioner of Public Lands
September 10, 1986
Page 2

If we can provide you further information about the above lawsuit, please do not hesitate to contact us. In the event your file indicates additional leasehold properties involved in the marina, kindly contact us as soon as possible.

Very truly yours,

FOULDS, FELKER, PIERSON, RYDER &
MCHUGH



JOHN A. MCHUGH

JAM:ng
0869L

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
RICHARD W. PIERSON
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MEL MONHEIMER
OF COUNSEL

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1023 COLUMBIA STREET
SEATTLE, WASHINGTON 98104
(206) 622-1264
TELEX: 320298

725 CHRISTENSEN DRIVE
ANCHORAGE, ALASKA 99501
(907) 272-4042

REPLY TO:

Seattle

August 14, 1986

FEDERAL EXPRESS

AUG 15 1986

Commissioner of Public Lands
State of Washington
Dept. of Natural Resources
Public Lands Bldg.
Olympia, WA 98504

HA 2332

Page 1

Re: Kitsap County
Nos. HA233

Letter -

To: Commissioner

To Whom it May Concern

From: John A. McHugh

This letter is regarding
Properties, Inc. to
the Kitsap County
Port Washington Properties
86-2-00901-1. Such
area leases.

Port Washington
of a lawsuit in
of Bremerton v.
County Cause No.
described harbor

This office was furnished a courtesy copy of the above Complaint on Thursday, July 31, 1986. The pleading was apparently filed at an earlier date but service of process was still outstanding. We indicated to counsel for City of Bremerton that we would seek authorization from Port Washington Properties to accept service.

Tender of defense of the above action was made by Port Washington Properties through its liability carriers, Fireman's Fund Insurance Company and Consolidated American Insurance Company, under its letter of August 6, 1986. The adjuster for Fireman's Fund suggested filing of an appearance in the above action, which was accomplished on August 12, 1986.

DNR-00018651

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
RICHARD W. PIERSON
STEPHEN P. RYDER
JOHN A. MCHUGH *
DALE L. KINGMAN
DAVID SHIMEK **
MAX N. PEABODY ***
MICHAEL E. RICKETTS

NEL MONHEIMER
OF COUNSEL

* ALSO ADMITTED IN ILL. AND CALIF.
** ADMITTED IN ALASKA ONLY
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SEATTLE, WASHINGTON 98104
(206) 622-1264
TELEX: 320298

725 CHRISTENSEN DRIVE
ANCHORAGE, ALASKA 98501
(907) 272-4042

REPLY TO:

Seattle

August 14, 1986

FEDERAL EXPRESS

Commissioner of Public Lands
State of Washington
Dept. of Natural Resources
Public Lands Bldg.
Olympia, WA 98504

Re: Kitsap County Harbor Area Lease
Nos. HA2332, HA2396, HA2399, and HA2523

To Whom it May Concern:

This letter will confirm notice by Port Washington Properties, Inc. to your office of the filing of a lawsuit in the Kitsap County Superior Court entitled City of Bremerton v. Port Washington Properties, Inc., Kitsap County Cause No. 86-2-00901-1. Such action affects the above-described harbor area leases.

This office was furnished a courtesy copy of the above Complaint on Thursday, July 31, 1986. The pleading was apparently filed at an earlier date but service of process was still outstanding. We indicated to counsel for City of Bremerton that we would seek authorization from Port Washington Properties to accept service.

Tender of defense of the above action was made by Port Washington Properties through its liability carriers, Fireman's Fund Insurance Company and Consolidated American Insurance Company, under its letter of August 6, 1986. The adjuster for Fireman's Fund suggested filing of an appearance in the above action, which was accomplished on August 12, 1986.


FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.
ATTORNEYS AT LAW

Commissioner of Public Lands
August 14, 1986
Page 2

If we can provide you further information about the above lawsuit, please do not hesitate to contact us. In the event your file indicates additional leasehold properties involved in the marina, kindly contact us as soon as possible.

Very truly yours,

FOULDS, FELKER, PIERSON,
RYDER & MCHUGH, INC., P.S.



John A. McHugh

JAM:pp
0676L

TO: John DeMeyer, Aquatic Lands

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

FROM: Ann Essko, AAG

SUBJECT: 9 HA Leases 2332, 2396. 2399. 2523

SPEED MEMO

City of Bremerton v. PWP, Kitsap Co. No. 86-2-00901-1

DATE: August 15, 1986

Redacted

cc: Bob Hoyser (w/encl.)

- other thoughts:
- Do we need involvement
- PWP signed waiver to be
for biology (to be done
live across than lease
subs. to marine leases.
• Need document showing the
relationship between the
lease & IHL (would be any
of the lease). - HAVE - 45730
 - Are we at risk due to
lack of inspection during
digging under the Colps
permit

Redacted

HA 2332
page - 1
Speed Memo
to: John DeMeyer
from: Ann Essko.
August 15, 1986

Handwritten notes and signatures at the top right of the page, including a pink highlight and a signature dated 8/20.

TO: John DeMeyer, Aquatic Lands

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

FROM: Ann Essko, AAG

SUBJECT: HA Leases 2332, 2396. 2399. 2523
City of Bremerton v. PWP, Kitsap

Co. No. 86-2-00901-1
SPEED MEMO

DATE: August 15, 1986

Redacted

cc: Bob Hoyser (w/encl.) ✓

SIGNED

REPLY

DATE

RES 35-2503 (

HA 2332
Page -1
Speed memo
To: John DeMeyer
from: Ann Essko
8-15-86

REQUIRED paper. Return pink copy with reply.

TO:

File 2396 2297 2332

STATE OF WASHINGTON

DEPARTMENT OF NATURAL RESOURCES

FROM:

Bob Hoyer

SUBJECT:

cell fr. John Davis - ward
871-0926 Muller's city.

SPEED MEMO

DATE: 2/20/06

Filed him on the hold up w/ approving H/L
change - bonds (see ante. above).

His rep. Ward in the lawsuit. He will
contact their atty. (PWP) re: getting
these bonds in. - told him PWP, not
our lessee - is now PWP bonds owner
assum.

SIGNED

Bob H.

REPLY

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

3

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
RICHARD W. PIERSON
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JOHN A. MCHUGH*
DALE L. KINGMAN
GERALD M. ORMISTON
EILEEN STAUSS
MEL MONHEIMER
OF COUNSEL

*ALSO ADMITTED IN ILL AND CALIF

CENTRAL BUILDING, SUITE 616
SEATTLE, WASHINGTON 98104
(206) 622-1264
TELEX: 320298

725 CHRISTENSEN DRIVE
ANCHORAGE, ALASKA 99501
(907) 279-8528

REPLY TO:

Seattle

December 31, 1985

RECEIVED

JAN 02

ATTORNEY GENERAL'S DIVISION
DEPT. OF NATURAL RESOURCES

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Commissioner of Public Lands
State of Washington
Dept. of Natural Resources
Public Lands Bldg.
Olympia, WA 98504

Re: Kitsap County Harbor Area Lease
Nos. HA2332, HA2396, HA2399, and HA2523

To Whom It May Concern:

This letter will confirm notice by Port Washington Properties, Inc. to your office of the filing of a lawsuit in the Kitsap County Superior Court, affecting the above Harbor Area Leases. The lawsuit is entitled "Port Washington Properties, Inc. v. Fireman's Fund Insurance Company and bearing Cause No. 85-2-01592-6 and was commenced on December 27, 1985.

Our office has reviewed various title reports relating to the above tideland properties. Because six separate parcels were assembled for the marina development and later made subject to a condominium regime, there is some difficulty determining all documents of record affecting the tract.

From our review of public records, there were apparently three leases (Nos. 2332, 2396, and 2399) transferred under an Assignment of Harbor Area Leases dated November 1, 1983 and recorded under Kitsap County Auditor's File No. 8312290194.

1/3/86
see records
add to
PWP
1/14/83
see records
see records

Commissioner of Public Lands
State of Washington
December 31, 1985
Page 2

A Consent to Assignment by the Department of Natural Resources was also recorded under Kitsap County Auditor's File No. 8312290193.

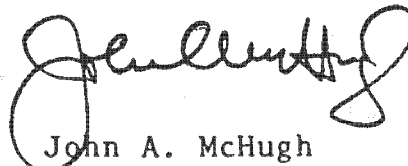
Certain additional leasehold property (No. 2523) was transferred to Port Washington Properties, Inc. under an Assignment of Lease dated June 10, 1983 and recorded under Kitsap County Auditor's File No. 830620-0111.

*Ass. for assignment
Ferry Co. 8/2/85*

In the event that your file indicates additional leasehold property involved in the marina development, kindly contact us as soon as possible. If your office needs any additional explanation with regard to the above lawsuit, do not hesitate to contact us.

Very truly yours,

FOULDS, FELKER, PIERSON, RYDER &
McHUGH



John A. McHugh

JAM:gh
7010E

Enclosures

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
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SEATTLE, WASHINGTON 98104
(206) 622-1264
TELEX: 320298

725 CHRISTENSEN DRIVE
ANCHORAGE, ALASKA 99501
(907) 279-8528

REPLY TO: Seattle

December 31, 1985

RECEIVED

JAN 02 1986

ATTORNEY GENERAL'S DIVISION
DEPT. OF NATURAL RESOURCES

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Commissioner of Public Lands
State of Washington
Dept. of Natural Resources
Public Lands Bldg.
Olympia, WA 98504

Re: Notice of Commencement of Litigation
Harbor Area Lease No. HA2396

To Whom It May Concern:

This letter shall be your notice that Port Washington Properties, Inc., has commenced litigation affecting the above-captioned harbor area leasehold in Kitsap County, Washington. This notice is given pursuant to Paragraph 6.7 of the aforesaid lease.

Port Washington Properties, Inc., was the lessee/developer of certain marina property made subject to a condominium regime in favor of Port Washington Condominium Owners' Association.

The lawsuit is entitled "Port Washington Properties, Inc., Plaintiff v. Fireman's Fund Insurance Company, et al., Defendants" and was commenced on December 27, 1985 under Kitsap County Cause No. 85-2-01592-6. For your file, a courtesy copy of the Complaint is enclosed.

Port Washington Properties, Inc. commenced the lawsuit to obtain correction of certain temporary damage to the beach property, i.e., interference with easement rights of City of Bremerton from an unstable beach condition due to dredging of the marina. Plaintiff is seeking to have its liability insurance carriers (among others) assume responsibility for the cost of correction.

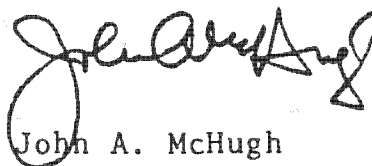
FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.
ATTORNEYS AT LAW

Commissioner of Public Lands
State of Washington
December 31, 1985
Page 2

If we can provide you any additional information about the
above litigation, please do not hesitate to contact us.

Very truly yours,

FOULDS, FELKER, PIERSON, RYDER &
McHUGH



John A. McHugh

JAM:gh
7010E

Enclosure

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
RICHARD W. PIERSON
STEPHEN P. RYDER
JOHN A. MCHUGH*
DALE L. KINGMAN
GERALD M. ORMISTON
EILEEN STAUSS

MEL MONHEIMER
OF COUNSEL

*ALSO ADMITTED IN ILL. AND CALIF.

CENTRAL BUILDING, SUITE 616
SEATTLE, WASHINGTON 98104
(206) 622-1264
TELEX: 320298

725 CHRISTENSEN DRIVE
ANCHORAGE, ALASKA 99501
(907) 279-8528

REPLY TO:

Seattle

December 31, 1985

RECEIVED

JAN 02 1986

ATTORNEY GENERAL'S DIVISION
DEPT. OF NATURAL RESOURCES

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Commissioner of Public Lands
State of Washington
Dept. of Natural Resources
Public Lands Bldg.
Olympia, WA 98504

Re: Notice of Commencement of Litigation
Harbor Area Lease No. HA2523

To Whom It May Concern:

This letter shall be your notice that Port Washington Properties, Inc., has commenced litigation affecting the above-captioned harbor area leasehold in Kitsap County, Washington. This notice is given pursuant to Paragraph 6.7 of the aforesaid lease.

Port Washington Properties, Inc., was the lessee/developer of certain marina property made subject to a condominium regime in favor of Port Washington Condominium Owners' Association.

The lawsuit is entitled "Port Washington Properties, Inc., Plaintiff v. Fireman's Fund Insurance Company, et al., Defendants" and was commenced on December 27, 1985 under Kitsap County Cause No. 85-2-01592-6. For your file, a courtesy copy of the Complaint is enclosed.

Port Washington Properties, Inc. commenced the lawsuit to obtain correction of certain temporary damage to the beach property, i.e., interference with easement rights of City of Bremerton from an unstable beach condition due to dredging of the marina. Plaintiff is seeking to have its liability insurance carriers (among others) assume responsibility for the cost of correction.

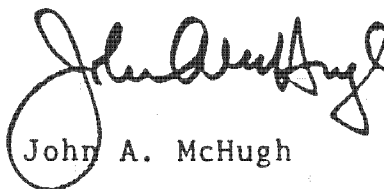
FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.
ATTORNEYS AT LAW

Commissioner of Public Lands
State of Washington
December 31, 1985
Page 2

If we can provide you any additional information about the
above litigation, please do not hesitate to contact us.

Very truly yours,

FOULDS, FELKER, PIERSON, RYDER &
McHUGH



John A. McHugh

JAM:gh
7010E

Enclosure

FOULDS, FELKER, PIERSON, RYDER & MCHUGH, INC., P. S.

ATTORNEYS AT LAW

TOM H. FOULDS
THOMAS S. FELKER
RICHARD W. PIERSON
STEPHEN P. RYDER
JOHN A. MCHUGH*
DALE L. KINGMAN
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725 CHRISTENSEN DRIVE
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(907) 279-8528

REPLY TO:

Seattle

RECEIVED

JAN 02 1986

ATTORNEY GENERAL'S OFFICE
DEPT. OF NATURAL RESOURCES

December 31, 1985

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Commissioner of Public Lands
State of Washington
Dept. of Natural Resources
Public Lands Bldg.
Olympia, WA 98504

Re: Notice of Commencement of Litigation
Harbor Area Lease No. HA2399

To Whom It May Concern:

This letter shall be your notice that Port Washington Properties, Inc., has commenced litigation affecting the above-captioned harbor area leasehold in Kitsap County, Washington. This notice is given pursuant to Paragraph 6.7 of the aforesaid lease.

Port Washington Properties, Inc., was the lessee/developer of certain marina property made subject to a condominium regime in favor of Port Washington Condominium Owners' Association.

The lawsuit is entitled "Port Washington Properties, Inc., Plaintiff v. Fireman's Fund Insurance Company, et al., Defendants" and was commenced on December 27, 1985 under Kitsap County Cause No. 85-2-01592-6. For your file, a courtesy copy of the Complaint is enclosed.

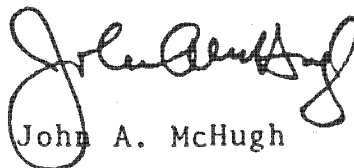
Port Washington Properties, Inc. commenced the lawsuit to obtain correction of certain temporary damage to the beach property, i.e., interference with easement rights of City of Bremerton from an unstable beach condition due to dredging of the marina. Plaintiff is seeking to have its liability insurance carriers (among others) assume responsibility for the cost of correction.

Commissioner of Public Lands
State of Washington
December 31, 1985
Page 2

If we can provide you any additional information about the
above litigation, please do not hesitate to contact us.

Very truly yours,

FOULDS, FELKER, PIERSON, RYDER &
McHUGH



John A. McHugh

JAM:gh
7010E

Enclosure



Department of Natural Resources

OLYMPIA, WASHINGTON

98504

BRIAN BOYLE
Commissioner of Public Lands

September 6, 1985

Port Washington Marina
1805 Thompson Drive
Bremerton, Wa 98310

Attention: Gaze Durst

RE: Bonds for Lease No. 22-002523, 22-002332 and 22-002396

Dear Mr. Durst:

Enclosed is a copy of the Rider and Increase Rider forms for each of the above referenced leases.

Sincerely,

Pam Donnelly, Lease Administrator
Division of Marine Land Management

PD/nr
Enclosure

c: 20-002523, 20-002332, 22-002396

2623 27



Department of Natural Resources
OLYMPIA, WASHINGTON
98504

BRIAN BOYLE
Commissioner of Public Lands

August 20, 1985

CERTIFIED MAIL

Port Washington Marine
1805 Thompson Drive
Bremerton, WA 98310

Attention: Deanne D. Mueller

RE: Bonds for 22-002523, 22-002332 and 22-002396

Dear Ms. Mueller:

At this time, we have not received proper completed bond forms.

If we do not receive the bonds within 14 days of receipt of this letter, we will forward the files to the Attorney General's Office for cancellation.

If you have any questions, please call me at 754-1857.

Sincerely,

Pam Donnelly, Lease Administrator
Division of Marine Land Management

PD/nr

c: 22-002523

P 485 462 692

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Port Washington Marine
Street and No.	1805 Thompson Drive
P.O., State and ZIP Code	Bremerton, WA 98310
Pos. apt.	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	Donnelly 8-20-85

2523-2332-2396

2622 212

PS Form 3800, Feb. 1982

Equal Opportunity/Affirmative Action Employer

DNR-00018666



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN BOYLE
Commissioner of Public Lands

July 29, 1985

Port Washington Marine
1805 Thompson Drive
Bremerton, WA 98310

Attention: Deanne D. Mueller

RE: Bonds for HA-2523, HA-2332, and HA 2396

Dear Ms. Mueller:

On June 19, 1985, this office sent out bond forms for the leases referenced above. To this date we have not received those documents.

If the documents have already been mailed, please disregard this letter. If you are having problems or need more time, please write or call me at (206) 754-1857.

Sincerely,

PAM DONNELLY, Lease Administrator
Division of Marine Land Management

PD/nr

c: File #2523
File #2332
File #2396

2622 133



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN BOYLE
Commissioner of Public Lands

June 19, 1985

Port Washington Marine
Attention: Deanne D. Mueller
1805 Thompson Drive
Bremerton, WA 98310

RE: Bonds for HA-2523, HA-2332, and HA-2396

Dear Ms. Mueller:

We are returning these forms for proper signature. Please have them signed and returned to this office as soon as possible.

Sincerely,

Terry Roswall, Lease Administrator
Division of Marine Land Management

rw
enc

c: Files HA-2523
HA-2332
HA-2396

Equal Opportunity/Affirmative Action Employer



PORT WASHINGTON MARINA

June 13, 1985

Department of Natural Resources
Division of Marine Land Management
Olympia, WA 98504
Terry Roswall

Mr. Roswall:

Enclosed you will find copies of the increase for bonds
for lease #HA-2523, HA-2332, HA-2396.
If you have any questions please contact me at
(206) 479-3037.

Respectfully,

Deanna D. Mueller
Harbormaster



Department of Natural Resources
OLYMPIA, WASHINGTON
98504

BRIAN BOYLE
Commissioner of Public Lands

March 8, 1985

Port Washington Marina Owner' Association
1085 Thompson
Bremerton, WA 98310

Dear Lessee:

Your lease under No. HA-2332 requires a new Security Bond in the amount of \$4,000.00.

Please have a new bond completed and return it to this office by April 8, 1985.

If you should have any questions feel free to contact me at (206) 754-1819.

Sincerely,

Terry Roswall
Division of Marine Land Management

p1

c: File No. 2332

TO: Jill Delaney, FSD
FROM: Bob Haysen, MUMD
SUBJECT: 22-002332

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE: 2/15/85

Jan. 21, 1985, a billing letter went out that showed an account adjustment owed of \$108²⁶, in addition to his 11/84 to 11/85 rent of \$1711 + LHT of \$219⁶⁹.

They have already pd. the \$108²⁶ (+LHT of 13⁹⁰). Please back the \$108²⁶ owed out of the system.

SIGNED

REPLY

22-002332

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

OK new 2/12/85
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12/31/85

Thank u.
Bob Haysen
\$108²⁶ backed out 2-4-85
What about 13.90 LHT?



Department of Natural Resources

OLYMPIA, WASHINGTON DEPARTMENT OF
98504 NATURAL RESOURCES

BRIAN BOYLE
Commissioner of Public Lands

January 21, 1985

Port Washington Properties
20 West Galer
Seattle, WA 98119

Dear Lessee:

Your lease, No.HA-2332, is scheduled for a rent adjustment as of November 1, 1984 under the procedures set forth in your lease agreement. The application of these procedures will result in an annual rental of \$12,787.00 for the period November 1, 1984 to November 1, 1985.

Recent legislation which went into effect on October 1, 1984, is intended to foster water dependent and historic water oriented uses. To do this a uniform formula for establishing rent has been created. A copy of that law along with the Department's implementing regulations is enclosed. Applying these new procedures to your lease would result in an annual rental of \$3,201.00 for the period November 1, 1984 to November 1, 1985.

This amount is a significant change from your previous rent of \$976.95 and would require a three year phase-in under the new law. The first year's rent would be \$1,711.00.

You have the choice of continuing with the procedures stated in your lease or taking advantage of the new legislation. If you elect the new formula rent, your lease must be amended to reflect the new rent calculation procedure as well as all other provisions of the new aquatic land laws. Enclosed is an Amendment for you to sign and return together with the payment of:

First Year Rent \$1,711.00

Leasehold Tax + \$ 219.69

Account Adjustments

~~\$108.26~~ *Dozer*

Total

~~\$2,038.95~~ *#1930.69*

*2/15/85
PER BOB HOYSE
@ DNR*

If you elect to continue with your present lease language, the rent due at this time is:

First Year Rent \$12,787.00

Leasehold Tax + \$ 1,641.85

Account Adjustments \$ 108.26

Total \$14,537.11

Please pay by February 16, 1985. Make checks payable to Department of Natural Resources. Please put your lease number on the check and send it, together with

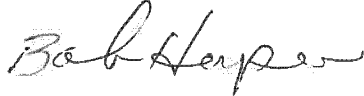
Equal Opportunity/Affirmative Action Employer

Port Washington Properties
January 21, 1985
Page 2

a copy of this letter, to: Department of Natural Resources, QW-21, Olympia, Washington 98504. All amounts 30 days past due will be charged a 1% monthly penalty fee.

Thank you for your cooperation. If you have any questions concerning your lease, please contact me at (206) 754-1819.

Sincerely,



for Terry Roswall
Marine Land Management Division

mn
Enclosure

c: File #HA-2332.

1231 362-3

DNR-00018673

O:
FROM: John DeMeyer
Ann Essko - AAG

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SUBJECT: Port Washington Properties, Inc. v. Fireman's Fund Insurance Co. et al -
Kitsap Co. Cause No. 85-2-015928

SPEED MEMO

DATE: January 17, 1985

Redacted

SIGNED

REPLY

DATE

SIGNED

PS 35-2505 (12-75)

paper. Return pink copy with reply.

3

copies in
file NO'S
20-002396
2399
2332

2/24/86

DNR-00018674

TO:

FROM:

SUBJECT:

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE:

Penn
Bob

22002332 Port Wash. Marina

12/21/84

Need an instant billing of \$108²⁶
to bring them current to 11/1/84.

Applying credit of \$1,179⁶⁹ fr. No. 2396
still left this balance owing.

SIGNED

REPLY

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

3

0160
EOT 12-27-84
Bill Made
with Note
from

pull file
JB for 1711 + 219⁰⁹
is not for this lease

Thank you,

Bab H. 108²⁶
back out 108¹⁶

RECEIVED

DEC 12 1984

ATTORNEY GENERALS DIVISION
DEPT OF NATURAL RESOURCES

LAW OFFICES
JAMES C. MIDDLEBROOKS
1520 PLAZA 600 BUILDING
SIXTH AND STEWART
SEATTLE, WASHINGTON 98101
(206) 623-8838

RECEIVED

12 41 8.43

December 11, 1984

Ms. Victoria W. Sheldon
Assistant Attorney General
Temple of Justice
Olympia, Washington 98504

Re: Port Washington Condominium Marina

Dear Vicki:

This letter will confirm our telephone conversation I hoped to have had with you by the time you have received the enclosed material. The facts may be briefly summarized as follows:

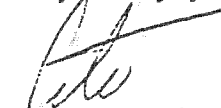
1. The subject condominium boat marina was constructed on three adjacent Harbor Area Leases.
2. University Federal Savings Bank, my client, provided the construction financing for the development of this project. To secure repayment of the construction loan, and in addition to a fairly traditional leasehold deed of trust, Port Washington Properties, Inc. and University Federal Savings Bank also executed with respect to each of the Harbor Area Leases your standard form Lease Assignment--Loan Security and related Loan Security Agreement.
3. In order to protect condominium purchasers from being subject to large unpaid construction loans, the Horizontal Property Regimes Act (specifically RCW 64.32.130) requires that upon the first conveyance a condominium apartment must be released from any pre-existing lien or encumbrance.
4. To satisfy this statutory requirement, at the time a unit is sold a fairly standard form request for partial reconveyance is recorded with respect to the aforementioned construction loan deed of trust.
5. If all we recorded, however, was a request for partial reconveyance with respect to the construction loan deed of trust, the aforementioned lease assignments and loan security agreements of record would leave an implication that the unit was possibly still subject to some lien securing the construction loan.

Ms. Victoria W. Sheldon
Page Two
December 11, 1984

6. To make clear to both purchasers and title insurers that when a condominium moorage slip is sold it is no longer subject to the construction loan, I have prepared and sent to the title insurance company a form of Partial Release, a copy of which is enclosed.

If you have any questions concerning the foregoing, please let me know. If I do not hear from you to the contrary, I will assume that you have no objection to the use of this Partial Release form.

Very truly yours,



James C. Middlebrooks

JCM:jm

Enclosures

cc: Mr. Bob McLain
Mr. (b) (6)
Ms. Laura Coomes



Department of Natural Resources

OLYMPIA, WASHINGTON

98504

BRIAN BOYLE
Commissioner of Public Lands

November 6, 1984

Mark Cleven, President
Port Washington Properties, Inc.
20 W. Galer
Seattle, WA 98119

Re: Proposed outer harbor line re-location - Port Washington Narrows.

Dear Mr. Cleven:

As we discussed on the phone today, the statutes require a change in our original schedule for meeting the December 4, 1984, Harbor Line Commission meeting.

Following are the revised target dates:

- Nov. 7, 1984; Mail public notice of hearing. We will handle the mailing.
- Nov. 16, 1984; Publish the public notice of hearing in the Bremerton Sun. P.W.P. will handle the publishing of the enclosed notice.
- Dec. 6, 1984; Conduct public hearing at Bremerton City Council Chambers at 7:00 p.m. We will conduct the hearing. P.W.P. will provide 3 copies of map sent out to other agencies.
- Dec. 21, 1984; Last day for written comment. DNR will compile and draw up resolution to the Harbor Line Commission. Official, Supplemental Map to Bremerton Harbor Area, being prepared by Ward Muller, to be in its final form and in hands of DNR.
- Jan. 8, 1985: Presentation to the Harbor Line Commission. We will conduct.

That should bring us up-to-date, Mark. If you have questions/comments, give me a call.

Sincerely,

Robert G. Hoyser
Marine Land Management

mn
Enclosure

c: Bob Hoyser for re-location file
File #22-002332, #22-002396 and #22-002399

Equal Opportunity/Affirmative Action Employer

DNR-00018678

TO: *Bill Delaney*

FROM: *Bob Huyser*

SUBJECT: *22-002332 + 22-002396*

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE: *11/5/84*

*Please apply the credit of \$1,179.69
on 22-002396 to 22-002332. This
will leave a balance owing on
22-002332 of \$108.26*

Thank you

Bob Huyser

SIGNED

REPLY

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.



PORT WASHINGTON PROPERTIES, INC.
20 W Galer
Seattle, Wa. 98119
(206) 282-2400

October 17, 1984

Department of Natural Resources
Land Management Division
Olympia, Wa. 98504

Attn: Dave Bortz

Dear Dave,

The purpose of this letter is to address the issue of "public interest" as regards the request for extension of the Outer Harbor Line on HAL #'s 2332, 2396, and 2399.

The reason for this request is not to give the developer/owner more space to install a larger facility. The request is being made to avoid some of the litigation which could arise as a result of an honest error committed by the surveyor who layed out the base line for the installation of the facility (see drawing enclosed.).

That error resulted in 6 of the slips toward the west end of the marina being located just outside the Outer Harbor Line rendering them uninsurable for title purposes, and unfinanceable for sales purposes. The error in layout also resulted in the east end of the marina being located to close to the beach area necessitating the installation of a retaining wall. Without the 6 slips being made saleable, the owner, Port Washington Properties, Inc. will be unable to bear the expense of that wall.

Not granting the request for extension can only result in litigation against the various parties hired to design the facility which will lead to counter litigation which could ultimately affect those owners who have purchased slips already. The construction lender has also stopped any pending sales from closing until this is resolved. This, of course, financially impacts PWP.

The relatively small area needed to cure the encroachment could at least ensure the Marina Owners' Association viability. The Association, of course, is the State's actual lessee of the Harbor Area.

Naturally, my office wishes to avoid any litigation if at all possible, and the granting of this request will at least solve a major portion of the problem.

Of course, I am available to do anything I can to expedite the process.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Mark L. Cleven', written in a cursive style.

Mark L. Cleven
President



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN BOYLE
Commissioner of Public Lands

September 26, 1984

Mark L. Cleven, President
Port Washington Properties, Inc.
20 West Galer
Seattle, WA 98119

Re: Harbor Area Lease Nos. 22-002332, 22-002396, 22-002399

Dear Mr. Cleven:

I'm writing in response to your letter of September 20, 1984, regarding your request for relocation of the Outer Harbor Line adjacent to these three leases. I have enclosed a highlighted copy of the Harbor Line Relocation regulations: WAC 332-30-116.

As we've discussed the Harbor Line Commission must approve the relocation. Proposals are presented at one of their regularly scheduled monthly meetings by DNR staff. If a proposal is approved, it is adopted by a Resolution of the Harbor Line Commission, a Supplemental Harbor Area Map is produced, etc. We would be willing to work with you and provide guidance in preparation of the materials needed for presentation of the proposal to the Commission.

I would recommend we get together to discuss, set objectives and determine a schedule. I've divided the tasks to be done as follows:

Port Washington Properties, Inc.

- Approval letters
 - Port of Bremerton
 - City of Bremerton as lead agency for shoreline permit
 - Corps of Army Engineers on behalf of Federal Agencies
 - State Department of Fisheries
 - State Department of Ecology
 - State Department of Social and Health Services
- Draft public notice
- Mail, post and publish public notice - provide affidavits of publication and a letter stating to whom the notices were mailed and where they were posted
- Produce the Supplemental Harbor Area Exhibit - with licensed engineer's seal and signature

Equal Opportunity/Affirmative Action Employer

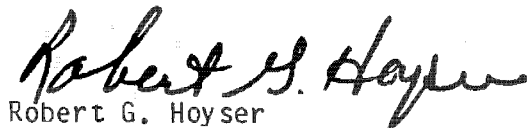
DNR-00018682

Department of Natural Resources

- Approve public notice prior to use
- Approve letters to other agencies prior to being sent
- Approve Supplemental Harbor Area Exhibit and provide information assistance
- Provide list of names to receive the public notice
- Provide list of names for publishing the public notice
- Provide list of places where public notice is to be posted
- Conduct public hearing and provide a hearings officer
- Assemble public comment - written and oral - and prepare report
- Draft Harbor Line Commission Resolution describing the Harbor Line Relocation
- Present the proposal to the Harbor Line Commission

When you are ready to set up a meeting or if you have comments and/or questions, please call at (206) 753-7158.

Sincerely,



Robert G. Hoyser
Marine Land Management

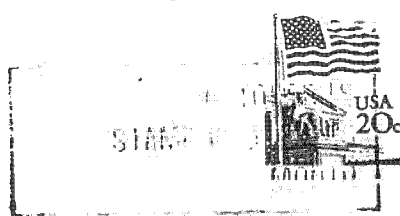
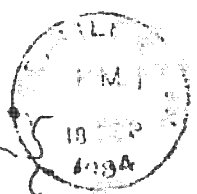
mn

Enclosure: WAC 332-30-116

c: Terry Roswall
Dave Bortz
John De Meyer
Jim Thomas
File nos. 22-002332, 2396, 2399, 2523

ALER
UN. 98119

9/18/84



Betty
DEPARTMENT OF NATURAL RESOURCES
Public LANDS Building
OLYMPIA, WASHINGTON
98504

SUBJECT: Attached letter

Staff no
Engineer Draw
- N Amel address
description

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE: 9-20-84

Need to discuss this. PatWA Prop. are the same folks that got tied up on the sewer line problem w/ City of Bremerton. Your position then was we could move the H. Line to facilitate the City's need to protect the sewer line. The sewer problem has been solved. Now P.W.P. wants us to move the H.L. to bail them out, due to their own surveyor's error in laying out the Marina. I don't think it is good policy to move H.Lines to ~~now~~ rectify a developer's error after the fact. Tolm, it appears that this im-
decisions
relocation
how many
service line

SIGNED _____

SIGNED

REPLY

cc: Steve, Bob

mtg. w/ JD & DB
@ 0930
RH

John, it appears that the decision ^{on the relocation} appears for

- HLC makes the decision ^{on the relocation}
- Review criteria for relocation ^{appears for}
- Review photo and/or map show ^{the situation}
- Need photo and/or map show ^{the situation}
- Would moving line "Easter" ^{Commerce & Navy}

HA 2332

DATI 4A 2332

RES 35.

Page - 3

Speed memo + Attached
To: John . Letter

From Dave B.

9-20-84

HA 2332

Page - 3

Speed memo + Attach.
Letter

To: John

from: Dave

9-20-84

R. d 9-20-84

Highland Consultants
20 West Galer
Seattle, Washington 98117

Department of Natural Resources
Public Lands Building
Olympia, Washington 98504

Attention: Dave Bortz, Assistant Land Division Manager

Dear Dave,

This letter is to serve as a request for a response from your department regarding the Port Washington Marina harbor line extension. The marina is located in the Port Washington Narrows, Bremerton, Washington.

Through previous correspondence with your department, we have explained the circumstances and the issues surrounding the harbor line and the six slips which encroach on the State waterway.

The repercussions which could arise if a favorable and timely decision is not reached are numerous. The most immediate complication Port Washington Properties, Inc. is facing is a 25th of September deadline. The construction lender (University Federal Bank) has set this date as a cut off for approval of a six month refinance of the construction loan. The resolution of the harbor line extension will clear the way for the refinancing of this construction loan.

Therefore, it is imperative that we pursue a solution to the encroachment of the six marina slips in question quickly. Port Washington Properties, Inc. and Highland Consultants are very willing to aid in this process. We will follow your directions as to the most efficient manner to proceed.

A letter from your office stating the procedure which will be followed and the time we may anticipate conclusion of this situation will be very beneficial to our negotiations with University Federal Bank.

Sincerely,

Wayne E. Johnson

Wayne E. Johnson
Agent for Port Washington Properties, Inc.

WEL

- 1) Application
- 2) SEPA Checklist
- 3) Engineering Drawings
- 4) Notice - Any notice
 > Review

Need response
to 7/2/84
letter.
WEL

TO: Bob
FROM: DAVE
SUBJECT: Port WASH. Narrows

2332
2396
2399

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE: 9-12

Durst has been pushing on us to (actually calling Vicky) move the H.L. to accommodate their screw up. I don't know to what extent a private party can pick up the staff work load (like Port Orchard) for public hearings etc. However, my priority is not to have your time & other staff time cleaning up their problem. However we should meet with John when he returns (ASAP) to make our decision - so think about what needs to be done & how much they can do for us if we decide to bail them out, Jhr Dave

SIGNED

REPLY

cc 1 John

P.S. 2ndly I'm not comfortable going to the Bd with such a proposal as a bail out anyway - it may be a bad precedent - however, ask around to see if we've done it before.

Take Bloeb. WW
vacation file to
DATE SIGNED

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED Paper. Return pink copy with reply.

mtg. Can ask of what did to prepare
p.t. sub on board mtg.
9/19/84

PORT WASHINGTON PROPERTIES, INC.
20 W Galer
Seattle, Wa. 98119
(206) 282-2400

July 6, 1984

Department of Natural Resources
Olympia, Wa. 98504

Attn. Bob Hoyser

Dear Bob,

This letter is in regard to the Port Washington Marina Harbor Area Lease #'s 2332, 2396, and 2399.

A letter was sent to the Department of Natural Resources on April 2, 1984 explaining the encroachment problem with which we are faced, and requesting a boundary modification as the most expedient and desirable solution.

To date, we have received no written response from the Department, although in two separate phone conversations we were told it could take as long as November of this year to get a hearing date from the Harbor Lease Commission. In view of some special circumstances which have arisen since our last correspondence with the Department, we are requesting that this be considered an emergency issue. Following are the reasons for this special request:

1. The title insurance companies cannot issue title insurance on the 6 slips which are currently outside the Harbor line. As a result, we are unable to sell these slips. The direct financial loss to the corporation will be in excess of \$200,000.00 dollars.
2. The lender which has financed this project will not extend the loan until a solution to the encroachment or a future solution is approved. I have attached a copy of their letter to verify this.
3. Our legal counsel has advised us that if a solution to this situation is not found fairly soon, we should immediately commence an action against the engineers and surveyors responsible for laying out the facility. Of course, that will start a chain reaction with our lender suing the corporation for not installing the facility correctly, and the individual buyers suing everybody

remotely connected with the development, construction, and financing of the project. To prevent a completely needless "snowballing" of this situation, we need to solve the problem now.

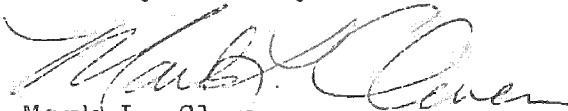
4. It is physically impossible to move the Marina closer to the beach and inside the existing Lease Boundaries. For one thing, the City of Bremerton has a new sewer line running along the beach. Another problem is the additional dredging that would be required would undermine the bank above the beach.

Consequently, there is only one reasonable solution to the problem. Your department can modify the Outer Harbor Line so that the facility lays completely inside. As pointed out in our letter and application of April 2nd, the total area involved is so small as to be negligible. Please refer again to the drawing submitted at that time, for it outlines exactly the area required.

Please understand, this is not a case of a developer seeing how much it can "fudge" and get away with. The problem is entirely the result of an honest error on the part of the surveyors and engineers who established the "base lines" for installation. As the developer/owner of the facility, however, Port Washington Properties, Inc. will have no choice but to start filing suit if it can get no assistance from your end. Port Washington is doing everything it can to avoid having to do that, but the terms of loan extension from the lender have made it clear that we cannot wait much longer for a solution to this problem.

We are anxiously awaiting your response, and are available at the number and address above should you require any additional information. Also, the lender's attorney, James C. Middlebrooks is available at 622-7050 if you wish to speak with a representative for the lender.

Thank you for your attention to this matter.



Mark L. Cleven

President

cc: University Federal Savings Bank

(b) (6)

James C. Middlebrooks
Ticor Title Co.
Ron Holtcamp, D.N.R.

TO: Dave Bontie

FROM: Bob H.

SUBJECT: Port Washington Narrows - Bremerton
(Terry Durst) 282-2400

DATE: 7/6/84

STATE OF WASHINGTON

DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

Spoke with TD this morning - he's very concerned about getting the outer H.L. moved out to accommodate their 19' error where they have slips up to 14' of slips beyond the O.H.L. Apparently he sent the request for H.L. relocation to Holtramp w/ a letter explaining the situation.

He cannot get a lot to sell there of course and also now their bank has written a Diabl. To: Dave B. From Bob H. 7-6-84. They are going to pull their 14' slips and worth \$34,000 ea.

of course moving the H.L. is a concern that shifting the Marina. SIGNED the city sewer line - not to mention. And there seems to be a cost. He could also try.

REPLY Look out the bank loan based on the Marina minus the 6 slips. I told him to call you as you were in on the meetings. Also, I was not real encouraging about the H.L. relocation to accommodate this mistake by his engineers. I also told him I'd like a copy of his bank's letter.

DATE Incidentally, a SIGNED note on the transpass would be appx. \$40/year.

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

CC: 22-002332, 2396, 2399, 2523

Bob

DNR-00018690

TO: Dave Bonte

FROM: Bob H.

SUBJECT: Port Washington Narrows - Bremerton
(Terry Durst) 282-2400 DATE: 7/6/84

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

Spoke with TD this morning - he's very concerned about getting the outer H.L. moved out to accommodate their 19' error where they have slips up to 19' of slips beyond the O.H.L. Apparently he sent the request for H.L. relocation to Holcamp w/ a letter explaining the situation.

He cannot get ^{clear} title to sell these slips of course and also now their bank has written them that unless the problem is solved or a viable solution forthcoming, they are going to pull their financing. (Says the slips are worth \$34,000 ea.)

Of course moving the H.L. is easiest for TD. ^{And} there seems to be a concern that shifting the Marina landward would put it too close to the ^{city} sewer line - not to mention the cost. He could also try to

SIGNED **REPLY** work out the bank loan based on the Marina minus the 6 slips. I told him to call you as you were in on the meetings. Also, I was not real encouraging about the H.L. relocation to accommodate this mistake by his engineers. I also told him I'd like a copy of his bank's letter.

DATE Incidentally, a **SIGNED** ^{up} **0** note on the trespass would be appx. \$40/year.

RES 35-2305 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

CC: 22-002332, 2396, 2399, 2523

Bob



Commercial Real Estate Loan Division
Suite 201
10001 Northeast 8th
Bellevue, Washington 98004
455-0000

July 2, 1984

Port Washington Properties, Inc.
Mark L. Cleven
Darold R. Stenson
(b) (6)

20 West Galer
Seattle, Washington 98119

RE: Loan #00-200-10745-6

Dear Friends:

This letter will serve as our commitment to extend the maturity (due) date on our above-referenced loan from June 10, 1984 to December 10, 1984. The fee for this extension will be 1% of the outstanding loan balance on June 10, 1984.

Except as provided for herein, all other terms and conditions of the existing loan shall remain in full force and effect.

This commitment is subject to the following general conditions which will be acceptable in form and content to University Federal Savings Bank:

1. Financial statements and credit reports of Borrowers and Guarantors, approved by us, which statements shall be current within 90 days of June 1, 1984 and shall evidence net worth of Borrower and Guarantor without material attrition from any statements and representations previously delivered or made to us. The financial statements shall include 1983 income tax returns.
2. Port Washington Properties, Inc. and each of the individual Borrowers will not be defendants in any legal action, including, but not limited to, bankruptcy or acts of insolvency.



Member Federal Home Loan Bank System • Member Federal Savings & Loan Insurance Corporation

DNR-00018692

University Federal Savings Bank

Port Washington Properties, Inc.
July 2, 1984
Page Three

10. That you will provide to us, for our approval prior to signing of the extension documents, a complete and accurate listing of all monies owed by you relating in any way to the Port Washington Marina Project. Further, you will provide to us an acceptable plan for payment of these monies due.
11. That you will provide to us, for our approval prior to signing of the extension documents, a written engineer's report, accepted and approved by the City of Bremerton. Said report is to detail a proper procedure, with cost estimates, to satisfactorily solve the beach erosion problem and provide protection against damage to the City's sewer line.
12. That, prior to signing of the extension documents, the encroachment problem relating to the Harbor Master's House must be resolved or a future solution must be approved by us.
13. That, prior to signing of the extension documents, the encroachment by the 6 slips on the outer Harbor Line must be resolved or a future solution must be approved by us.
14. That no change in the security position of (b) (6) will be allowed.
15. That we will agree to release slip #26 so that you may convey title to (b) (6) for backhoe services rendered. This release will be subject to the normal release fee provision of this loan and will only be given upon verification that Mr. (b) (6) account will then be paid in full.

We will continue to provide take-out financing to qualified purchasers/borrowers of individual slips under the following terms:

Maximum Loan Amount:	80% of selling price or appraised value, whichever is lower.
Interest Rate:	12% for first five years. Then adjust every 2½ years to be 1.750% above the Federal Home Loan Bank Mortgage Contract Rate.
Amortization:	Based on a 30-year term.

TO: File 2332 & 2396

FROM: B. Hoyer

SUBJECT: overpayment

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

SPEED MEMO

DATE: 6/18/84

6/18/84
22-002332

overpayment on 22-002332 has been
applied to 22-002396 3/6/84

cc ea. file

SIGNED

REPLY

after Hoyer
memo 6/11/84
B. Hoyer
RJ 12/21/84

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

3

DNR-00018694

*See file 2399
for map
RX*

PORT WASHINGTON PROPERTIES, INC.

20 West Galer
Seattle, WA 98119
(206) 282-2400

DNR MAIL RM

April 2, 1984

APR 05 1984

Department of Natural Resources
Olympia, Wa. 98504

RECEIVED

Attn: Ron Holtcamp

Re: HAL's 2399, 2396, and 2332

Dear Ron,

As you are aware, Port Washington Properties, Inc. has been involved in the development and construction of an 80 slip marina located on the Harbor Area Leases referenced above. Construction was essentially completed in December of last year. As you are also probably aware, the results of our "as-built" survey indicate that the installation encroaches a "pie-shaped" area of the waterway outside the established outer harbor lines (see enclosed survey).

When we investigated the reason for the encroachment, we were able to determine that it was the result of a survey error which occurred very early during the actual construction. The surveyor, Ward Mueller and Associates, a well established and respected surveyor in Port Orchard, had the misfortune of locating what appeared to be the correct property points, but which turned out to be points set for some other reason. Their distance apart (approx. 700 feet) was within 0.01 inches of the distance between the actual points, and their locations were such that they appeared to be the correct points. They were just far enough off, however, to leave us with the present situation. It was not until the final survey was done that it was discovered that they were the wrong points.

As a result of this, Port Washington is faced with two basic options. Either institute a lawsuit against Mueller for several hundred thousand dollars (the value of the slips lost to encroachment), or request a relocation of the Outer Harbor Lines to cure the encroachment.

We are in receipt of a letter from your office which outlines the procedure for Harbor Line Relocation, and the balance of this letter will be devoted to addressing the requirements of WAC 332-30-116 Harbor Line Relocation.

1. Harbor line relocations should:
 - (a) Maintain or enhance.....water dependent commerce - the Port Washington Marina definitely fills a need for moorage in the Bremerton - Kitsap County area. A survey of the few

marinas in the immediate area will point out the lack of moorage.

(b) Maintain adequate space for navigation beyond the outer harbor line - the encroachment is the greatest at the westernmost end of the facility, and that is only 14 feet. The encroachment lessens as you move east until about the midway point where the facility is fully within the outer harbor line. An inspection of an aerial photo of the area (Anderson Cove and Port Washington Narrows) will point up the fact that a relocation of the harbor line will have no impact whatsoever on navigation.

2. When in agreement.....consideration.....should include:

(a) Plans and development guidelines.....agencies - this relocation would fall within all established guidelines.

(b) Economic and environmental impact - the economic impact is not a factor due to the relatively small area in question and the fact that this does not affect a port type area.

The environmental impact is non-existent because the facility is fully installed and requires no additional special construction or work. This is a paperwork matter.

(c) Public access - was established in the original permit process. This certainly does nothing to restrict said access.

(d) Indian treaty rights - not applicable in this instance.

(e) Cumulative impacts of similar.....commerce - again for such a small area the cumulative effect is nil.

(f) The precedent setting.....areas - same as above.

Due to the fact that this is the result of an entirely honest error on the part of the surveyor hired, and that the error impacts a negligible area in terms of total square feet (approx. 3,550), we hope that your department can see its way clear to grant the relocation as outlined.

Thank you,



Mark L. Cleven
President

Highland Consultants
20 West Galer
Seattle, Washington 98119

Department of Natural Resources
Public Lands Building
Olympia, Washington 98504

Attention: Dave Bortz, Assistant Land Division Manager

Dear Dave,

This letter is to serve as a request for a response from your department regarding the Port Washington Marina harbor line extension. The marina is located in the Port Washington Narrows, Bremerton, Washington.

Through previous correspondence with your department, we have explained the circumstances and the issues surrounding the harbor line and the six slips which encroach on the State waterway.

The repercussions which could arise if a favorable and timely decision is not reached are numerous. The most immediate complication Port Washington Properties, Inc. is facing is a 25th of September deadline. The construction lender (University Federal Bank) has set this date as a cut off for approval of a six month refinance of the construction loan. The resolution of the harbor line extension will clear the way for the refinancing of this construction loan.

Therefore, it is imperative that we pursue a solution to the encroachment of the six marina slips in question quickly. Port Washington Properties, Inc. and Highland Consultants are very willing to aid in this process. We will follow your directions as to the most efficient manner to proceed.

A letter from your office stating the procedure which will be followed and the time we may anticipate conclusion of this situation will be very beneficial to our negotiations with University Federal Bank.

Sincerely,



Wayne E. Johnson
Agent for Port Washington Properties, Inc.

001007



Department of Natural Resources

OLYMPIA, WASHINGTON

98504

BRIAN BOYLE
Commissioner of Public Lands

September 26, 1983

Port Washington Properties, Inc.
20 West Galer
Seattle, WA 98119

Gentlemen:

Enclosed is Consent to Assignment and Approval of General Sublease Forms, which has been executed by J.A. Stearns on September 23, 1983, for Brian J. Boyle, Commissioner of Public Lands.

Sincerely,

Sandra S. Clancy

Sandra S. Clancy
Manager, Office Services

SSC/jr
encl.

~~CONFIDENTIAL~~



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN J. BOYLE
Commissioner of Public Lands

August 12, 1983

Ticor Title Insurance
P. O. Box 590
Bremerton, Washington 98310

Attention: Laura Coomes

Dear Ms. Coomes:

Please find enclosed a signed copy of the Release of Loan Security.

Very truly yours,

TERRY ROSWALL
Division of Marine Land Management

TR/nr
Enclosure

cc: HA 2332
HA 2396



June 21, 1983

Mr. Terry Roswall
Dept. of Natural Resources
Public Lands Building
Olympia, Wa. 98504

Dear Terry:

Pursuant to our telephone conversation of this afternoon, I am enclosing letters to confirm payoff of Sea Gate's loan to Sea Brim, Inc., which was secured by a Lease Assignment for Loan Security, and a Loan Security Agreement, back in 1981. I have also put together a Lease Re-Assignment for RELEASE of Loan Security, intending, with the State's approval, to record one copy in Kitsap County so that we can clear the loan of record.

If this meets with your approval, we would appreciate it if you would have the authorized signatory sign all four copies for the State, and return one to us for recording in the County, along with any other documents the State may suggest to clear this lien from our public record.

If you have any questions at all, please don't hesitate to call me in our Poulsbo office at 779-7172.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Laura'.

Laura Coomes
Sr. Escrow Officer

LC:s
enc.

TICOR TITLE INSURANCE

State of Washington
Department of Natural Resources
Mr. Bert L. Cole
Commissioner of Public Lands
Olympia, Wa. 98504

Dear Mr. Cole:


This letter is in regard to the Lease Assignment for Loan Security document dated September 14, 1981, between Sea Gate, Inc., and Sea Brim, Inc. As of this date Sea Gate, Inc., has been paid in full and wishes you to release all loan security that has been filed against Lease Nos. 2332 and 2396. All parties to the original assignment would appreciate it if you would send the original release instrument or satisfaction to Ticor Title Insurance Co. at its office at 591 Bethel Avenue in Port Orchard, Washington, 98366, for recording with Kitsap County, in order that they may clear the loan from the public record in that county.


If you have any questions at all, please call Laura Coomes, Senior Escrow Officer with Ticor, at either (206) 876-4411 or (206) 377-3771.

DATED: June 15, 1983

SIGNED:

SEA GATE INC.

By 
Frank Whitman President

By 
Jack Cyr, Jr. Secretary

By 
Susan Cyr Daniel Treasurer

SEA BRIM, INC.

By 
Terry L. Dirst President

By 
Glenn R. Davis Secretary

TICOR TITLE INSURANCE

State of Washington
Department of Natural Resources
Mr. Bert L. Cole
Commissioner of Public Lands
Olympia, Washington 98504

Dear Mr. Cole:

This letter is in reference to the Loan Security Agreement dated September 10, 1981, between the State of Washington, Sea Gate, Inc. and Sea Brim, Inc., recorded under Kitsap County Auditor's File No. 8111250081. As of this date Sea Gate, Inc., has been paid in full and wishes you to release all loan security that has been filed against Lease Nos. HA2332 and HA2396 pursuant to the terms of said Loan Security Agreement. All parties to the original agreement would appreciate it if you would send the original release or satisfaction instrument to Ticor Title Insurance Co. at its office at 591 Bethel Avenue in Port Orchard, Washington, 98366, for recording with Kitsap County, in order that they may clear the loan from the public record in that county.

If you have any questions at all, please call Laura Coomes, Senior Escrow Officer with Ticor, at either (206) 876-4411 or (206) 377-6249.

DATED: June 15, 1983

SIGNED:

SEA GATE INC.

By 
Frank Whitman President

By 
Jack Cyr, Jr. Secretary

By 
Susan Cyr Daniel Treasurer

SEA BRIM INC.

By 
Terry E. Durst President

By 
Glenn R. Davis Secretary

CITY COUNCIL

BILL AMO

District 1

E. L. STURDIVANT

District 2

ROY T. MOSELY

District 3

JIM ADRIAN

District 4

CLYDE L. PACHEK

District 5

ART ANDERSON

District 6

PHIL DROUIN

District 7

SPENCER HORNING

District 8

RUSS JOHNSON

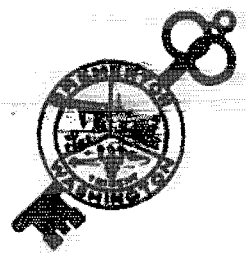
District 9

City of Bremerton

239 FOURTH STREET

BREMERTON, WASHINGTON 98310

(206) 478-5252



MAYOR MORRIE DAWKINS

May 26, 1983

Port Washington Inc.
20 W. Galer
Seattle Wa

Dear Sirs,

The following actions have been taken by the City of Bremerton in regard to your marina development. Copies of referenced documents are attached.
Shoreline Management Permit issued 5/20/82, revised

4. Formal Declaration of Non-Significance (SEPA) 5/13/82 and 5/26/83.
- Public Works examination and grading permit for a new pile driving and float installation issued 5/26/83

If you or your lender have any question please call me at 478-5215

Ken Otteberg
Planning Director

Gateway to the Olympics and Home of the Puget Sound Naval Shipyard

RECEIVED

PORT WASHINGTON PROPERTIES, INC. MAY -9 1993

20 West Galer
Seattle, WA 98119
(206) 282-2400

DEPARTMENT OF
NATURAL RESOURCES

State of Washington
Department of Natural Resources
Brian J. Boyle, Commissioner of Public Lands
Olympia, Washington.

Gentlemen

This letter is in regard to the Port Washington Marina in Bremerton Washington.

As per our conversation it is important time wise to have the Incorporation documents used by Anacortes Marina for their Association of Owners. Please forward as soon as possible.

We are now going to put all four lease 2332, 2396, 2399 and 2523 into Port Washington Properties Inc., and then assign to the Port Washington Marina Owners Association HAL2332, 2396 and 2399 for the first phase of project.

This will be the same as done by Anacortes Marina, which may make your job easier.

Inclosed is a copy of the documents you need your attorney to approve. If you could do this it would speed up closing and help close on time.

If there are any questions please call Terry Durst 282-2400.



Terry L. Durst

12/15/00 Bob Duffy

City of Bremerton

- D & D - Marina
Investment

→ City of Bremerton
Planning Dept.
attn Bob Duffy
239 - 4th

Bremerton

98310

Needs copy of lease documents
& WAC's

7 copies at .15
each

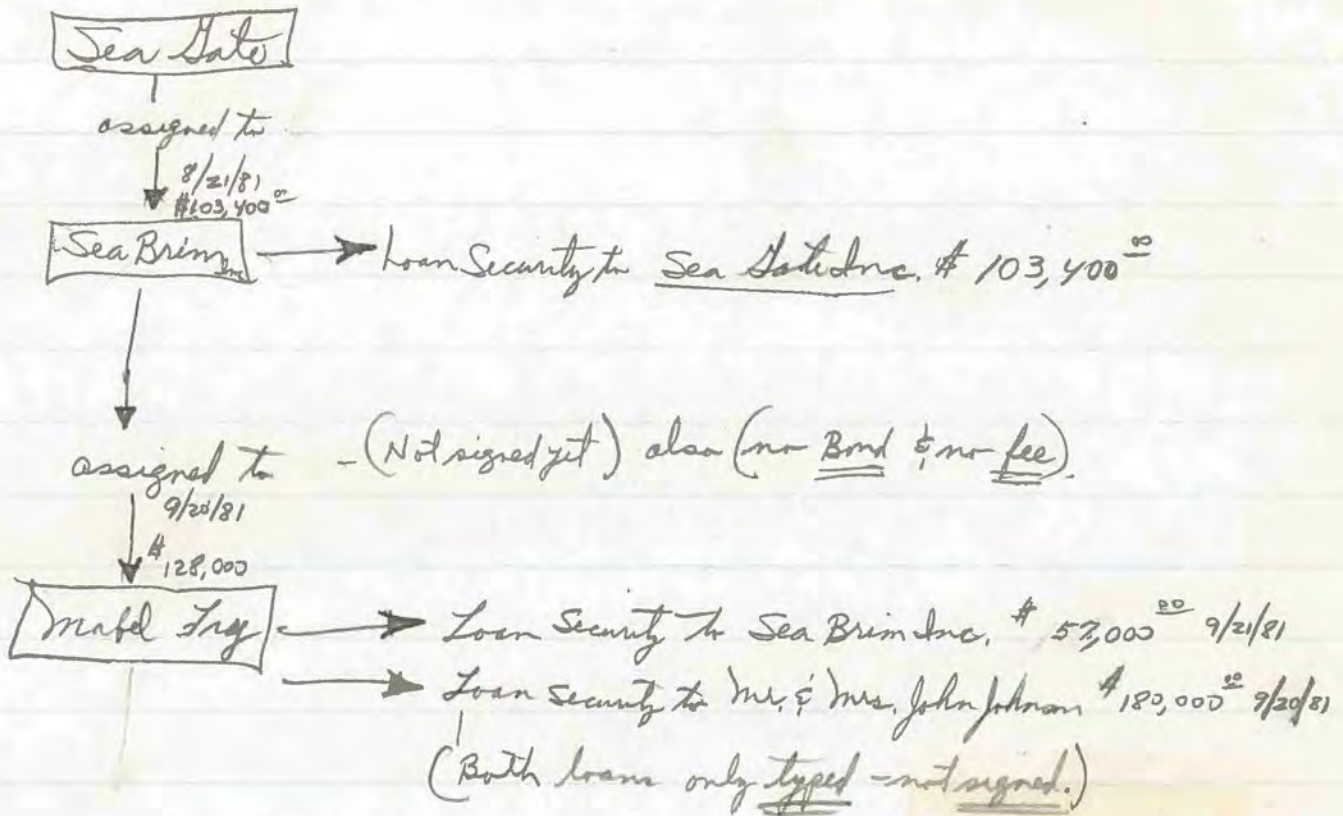
copy of original lease
and last assignment
They are paper clipped

Port Washington Inc.
20 Gayler St.
Seattle Wa 98119

Mark Clevon

285-3623

HA-2332 & 2396



Questions:

- 1) What effect will assignment have on S
 - a) Is loan paid off - NO

2) a) What are plans of Mabel Fry

b) What is her financial status

c) Why approve loan security to either Sea Brim or

\$134,000 Sea Gate
128,000 Sea Brim
180,000 Johnson
\$442,000

Suggest me:

- 1) Contact Terry Hurst
- 2) Contact Jack Cyr
- 3) Call Mabel Fry.

ph-447-5815

10/21/81 - called Frank Whitman - partner of Sea Gate.
money. - Says Mrs Fry is financial backer
\$57,000 loan from Olympic Bank of Edmonton. (Seems
one of the stock holders of Sea Brim). Mr Whitman
their investment & assignments + loans & get back to me. J.H.



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN J. BOYLE
Commissioner of Public Lands

September 7, 1982

Sea Brim, Inc.
202 Pacific Avenue
Bremerton, WA 98310

RE: Application No. HA2332

Gentlemen:

During the last legislative session, ESSB 4824 was enacted which limits rental increases on aquatic leases. This legislation affects leases that have a scheduled rental adjustment between the dates of April 3, 1982 and July 1, 1983.

Under the provisions of the law the rental for your lease for the period November 1, 1982 to July 1, 1983 is \$614.47 plus leasehold tax of \$78.90 for a total of \$693.37. Please forward this payment to reach us on or before November 1, 1982. This letter is to serve as your billing statement for the above mentioned period.

The provision in ESSB 4824 which limits rental increases is due to expire on July 1, 1983, at which time your rent will be adjusted.

Please feel free to contact this office if you have any questions concerning the revised rental for your lease.

Very truly yours,

Terry Roswall
Division of Marine Land Management

cc: Financial Services Division
Marine Land Management
File HA2332

CITY HALL

City of Bremerton

WASHINGTON

THE OLYMPICS

239 FOURTH STREET 98310

MAYOR AND COMMISSIONER
OF PUBLIC HEALTH AND SAFETY

PLANNING DEPARTMENT

COMMISSIONER
OF PUBLIC WORKS AND UTILITIES

COMMISSIONER
OF FINANCE AND ACCOUNTING

April 16, 1982

CITY CLERK
AND PURCHASING AGENT

Department of Natural Resources
ATTN: William Baxter
Public Lands Building
Olympia WA 98504

To Whom it May Concern:

RE: State Environmental Policy Act, Declaration of Non-significance;
Shoreline Permit, Port Washington, Inc., Bremerton WA


Attached is a Proposed Declaration of Non-significance for the proposed issuance of a Shoreline Substantial Development Permit to Port Washington, Inc., for a 68-slip marina, accessory buildings and parking.

Under WAC 197-10-340 we are forwarding to you the proposed declaration and the related environmental checklist. We hereby request your comments on the proposed declaration and bring to your attention the provisions of WAC 197-10-345 which describes your option of assuming the lead agency role should you determine that an EIS is necessary.

Should you choose to submit comments or assume the lead agency role, your decisions must be made to this office by May 3, 1982, which is at least fifteen (15) days from the listing of the proposed declaration in the Bremerton SEPA Public Information Center.

If you have any questions regarding the proposed action, please contact me at 478-5275.

Sincerely,


KEN ATTEBERY, AICP
Planning Director

Attachment

cc: City Engineer

KA:mt

CALL FUTURE #1
G.M.I.L.
m. 1/1/82
Covered by lease HA-2332 E 2396
Says Terry R JH 4/26/82

HOME OF THE PUGET SOUND NAVAL BASE AND SHIPYARD

DNR-00018709

LAW OFFICES OF
SETCHELL & GATHE

Larry Setchell, P.S.
Theodore H. Gathe, P.S.
Seth M. ("Kelly") Fulcher, Jr.
Drue Allen Heggie

February 10, 1982

RECEIVED

FEB 16 1982

DEPARTMENT OF NATURAL RESOURCES
NO. _____

Terry Roswall
Division of Marine and Land Management
Department of Natural Resources
Olympia, Washington 98504

Re: Easement over Harbor Lease No. 2523

Dear Mr. Roswall:

Enclosed is a copy of a letter sent by me to
Russell Hartman in connection with the negotiations
over access to Port Washington Marina.

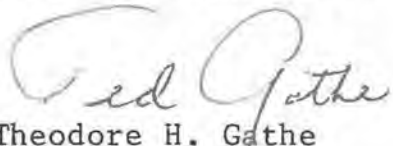
As my letter indicates, I believe (b) (6)
has misstated the potential access points available
to Davis and Durst. There is, in fact, only one,
and that is across either the (b) (6) property
or across the harbor lease area.

I would appreciate your placing this letter in
the appropriate file.

Very truly yours,

THEODORE H. GATHE, P.S.

By


Theodore H. Gathe

TG/lye
Enclosure
cc: D & D Investments

**LAW OFFICES OF
SETCHELL & GATHE**

Larry Setchell, P.S.
Theodore H. Gathe, P.S.
Seth M. ("Kelly") Fulcher, Jr.
Drue Allen Heggie

February 10, 1982

(b) (6)

Bremerton, Washington 98312

Re: Port Washington Marina Development

Dear (b) (6)

I have reviewed your letter of February 5, 1982, and the enclosed copy of your letter to the Department of Natural Resources dated January 12, 1981. My clients take exception to your description of them as "extremely poor credit risk". Sea-Brim East is a well designed and well constructed condominium project and would have been a profitable venture for my clients, had it not been for the substantial difficulty in qualifying buyers under the presently exorbitant interest rates and the subsequent refusal of the construction lender to provide the last 10 percent promised under the construction loan. Nevertheless, the developers are not walking away from either the labor or materialmen who are owed money as a result of this project and have made arrangements to insure that they will be substantially paid off in the future. This is far more than other builders in that area have done as a result of project failures.

D & D intends to fully and effectively develop the existing marina site which they have acquired.

In response to the assertions made in your letter regarding access, first, it is clear that an owner of a harbor area has a right to a private way of necessity over adjoining uplands. To assert that such an owner has unlimited access over the navigable waterbeds is to beg the question. Users of the marina must have access across the upland area in order to effectively utilize the site. Second, while it is true that Davis and Durst have obtained an option to purchase property to the west of the marina

(b) (6)

February 10, 1982

Page two

owned by the (b) (6), that property has been the subject of a rezone application before the City of Bremerton. The requested rezone was partially approved subject to a number of conditions, one of which effectively prohibits the use of that property for either commercial access to the Port Washington Marina site or for any type of parking in conjunction with use of the marina site. Third, the Cady property, to which you refer in your letter of January 12, 1981, was originally included in the rezone application referred to above. The City Council denied the rezone for this property and, therefore, Durst and Davis have no interest in acquiring the same. Fourth, you claim that D & D has legal access down a stairway on the uplands adjoining the Sea-Brim harbor lease owned by (b) (6). It is true that for a period of time, D & D did utilize the stairway extending down the hillside of the (b) (6) property, but such use was restricted to a month-to-month basis. The stairway is no longer being used by Davis and Durst, nor do they have any intention of negotiating for an easement with (b) (6) or to initiate a private condemnation action to obtain access via the stairway. Davis and Durst have taken this position because of the dangerous and antiquated stairway access in place on the (b) (6) property. Utilization of the stairway would pose a serious threat of injury because of the extremely steep nature of the underlying slope, the ever-present threat of slides or other natural occurrences, the inability of elderly or handicapped people to even use the stairway, the danger to young children, and the potential threat to others such as young children who might be injured on the stairway area, thereby invoking the attractive nuisance doctrine. In addition, the present zoning of the property would preclude its use as commercial access to Port Washington Marina.

Granting a private way of necessity is dependent upon the petitioning parties showing that they do not have any reasonable access from another source. Access down the (b) (6) hillside is not, in our view, reasonable, safe or in any manner appropriate. You also referred to the purchase of other property owned by Mr. (b) (6). There were discussions between Durst and Davis and (b) (6) regarding purchasing property to provide parking for marina use. The area in question, however, would provide no access to the marina site.

(b) (6)

February 10, 1982

Page three

As of the date of this letter, Davis and Durst have conveyed an offer to purchase all of your clients' property. Acceptance of that offer would be the most advantageous solution since the entire area comprising my clients and your clients harbor leases would then be available for development subject to compliance with local and State regulations. Realistically, it seems uneconomical to have two separate marina projects adjoining one another, assuming it is your clients' intention to develop a marina.

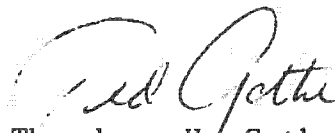
With regard to the private condemnation action, Davis and Durst do not want to initiate a suit against your clients unless they absolutely refuse to grant any access or to bargain in good faith regarding the same. As a compromise, Davis and Durst are willing to propose limited pedestrian access only extending across your clients' harbor area to Renn Stroll. This would minimize the impact on your clients' property so that they would be free to develop their land as they see fit. My clients further propose that each side hire a qualified appraiser to determine a fair and equitable cost for acquiring this type of access right, and that if we cannot agree on a price, the matter could be submitted to arbitration to determine a fair and equitable amount. Resolution of this access question in such a manner as described would be the most economical and equitable solution to the access question.

Please review my letter with your clients and advise me how you wish to proceed in this matter.

Very truly yours,

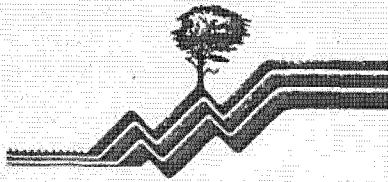
THEODORE H. GATHE, P.S.

By


Theodore H. Gathe

TG/lye

cc: D & D Investments
Terry Roswall



December 30, 1981

(b) (6)

Bremerton, WA 98310

Re: Easement across HA 2523 legally described as follows:

The portion of the harbor area lying in front of Lot 7, Section 11, Township 24 North, Range 1 East, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of Lot 15, Bay View Garden Tracts (Lot 11 of Supplement Plat of Bay View Garden Tracts) with the inner harbor line and running thence N 16° E 215 feet, more or less, to the outer harbor line, thence N 74° W along said outer harbor line 450 feet to the true point of beginning; thence S 16° W 195 feet, more or less, to the inner harbor line, thence westerly along said inner line to the west line of said Lot 7, thence northerly along the west line of said Lot 7, thence northerly along the west line of said Lot 7, produced, to the outer harbor line, thence S 74° E along said outer line, 203 feet, more or less, to the true point of beginning, as shown on the official maps of Bremerton, Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Dear (b) (6)

Since we have not received a response to our letter dated December 18, 1981, nor have we received a completed waiver form supplied by the Dept. of Natural Resources, it is our assumption that you are seeking compensation for damages in accordance with Clause 4.7 of your lease.

If you would be so kind as to contact us as soon as possible to set an appointment for negotiation of a damage settlement, we will be able to avoid any further and unnecessary litigation.

We thank you for your prompt attention to this matter.

Yours very truly,

SEA BRIM, INC.


Terry L. Durst
President

TLD/bk

cc: Terry Roswall
Department of Natural Resources

SEA BRIM, INC. - commercial & multi-residential construction - Seattle, Washington

DNR-00018714



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN J. BOYLE
Commissioner of Public Lands

December 21, 1981

Bob Duffy
City of Bremerton
Planning Department
239 - 4th
Bremerton, WA 98310

Dear Mr. Duffy:

Enclosed are the copies of Harbor Area Lease No. 2332 and the Lease Assignment, that you requested.

Please return the "Request for Public Record" along with your remittance of \$1.05, to cover the cost of the copies.

Sincerely,

Sandra S. Clancy
Manager, Office Services

SSC:jb

Enclosures

December 18, 1981

(b) (6)

Bremerton, WA 98310

Dear (b) (6)

This letter is in regard to the issuance of easement by the Department of Natural Resources.

This lease states that we will be issued an easement but first we will need a waiver from you that was supplied by the Department of Natural Resources. Please contact us when you have signed this agreement so we may return it to the Division of Land Management for recording.

If there is any problem, please contact us at 479-7030 to set up an appointment.

This easement is in regard to Harbor Lease No. 2523 legally described as follows:

The portion of the harbor area lying in front of Lot 7, Section 11, Township 24 North, Range 1 East, W.M., described by metes and bounds as follows:

Commencing at the intersection of the west line of Lot 15, Bay View Garden Tracts (Lot 11 of Supplement Plat of Bay View Garden Tracts) with the inner harbor line and running thence N 16° E 215 feet, more or less, to the outer harbor line, thence N 74° W along said outer harbor line 450 feet to the true point of beginning; thence S 16° W 195 feet, more or less, to the inner harbor line, thence westerly along said inner line to the west line of said Lot 7, thence northerly along the west line of said Lot 7, produced, to the outer harbor line, thence S 74° E along said outer line, 203 feet more or less, to the true point of beginning, as shown on the official maps of Bremerton Tide Lands on file in the office of the Commissioner of Public Lands at Olympia, Washington.

Thank you very much.

Yours very truly,

SEA BRIM, INC.


Terry L. Durst
President

TLD/bk

STATE OF WASHINGTON) ss.

County of Kitsap)

On this 18th day of December, 1981, before me, the undersigned, a Notary Public in and for the State of Washington duly commissioned and sworn, personally appeared Terry L. Durst to me known to be the individual who executed the foregoing instrument and acknowledged the said instrument to be his free and voluntary act for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.

Notary Public, in and for the State of Washington, residing at Seattle



Department of Natural Resources

OLYMPIA, WASHINGTON
98504

BRIAN J. BOYLE
Commissioner of Public Lands

December 14, 1981

(b) (6)

Bremerton, Washington 98310

Dear (b) (6) :

Reference is made to Harbor Area Lease No. 2523, issued to you and (b) (6) for a term of ten (10) years from December 8, 1979.

Sea Brim Inc. has informed us of their dilemma to gain access to their marina. As you are aware, the marina is landlocked, and the only way to gain access would be through an easement. They have requested a reasonable solution, one which appears to be agreeable with this department. Access could be gained by Renn-Stroll Avenue to the inner harbor line. From that point the state could grant access across Harbor Area Lease No. 2523 to their leased area. Such access across your leasehold would be required to be located below the inner harbor line and above the line of mean low water. The state could grant an easement for a floating walkway or a pile supported walkway, which will not interfere unduly with the use to which the lessee is putting the premises. (Note Clause 4.7 - Access)

In a letter dated September 8, 1980, your attorney indicated that some day, you contemplate further improving the harbor area and that there are no specific development plans. At present there are no improvements located on your leasehold other than an oil dock. Since we have not received any formal plans for new development, we, therefore, can not see how granting such an easement would unduly interfere with the use being made of the harbor area.

Under said Clause 4.7, the third party, Sea Brim Inc., is to pay damages to you, the lease holder, otherwise a waiver is to be signed by the lessee. Waiver forms are enclosed for your convenience.

Please arrange for a meeting between you and Sea Brim, Inc. and negotiate the amount of damages. Then notify us of your agreement and we will proceed with the easement.

Very truly yours,

T. W. ROSWALL
Division of Marine Land Management

TWR/nr
Enclosure
cc: HA 2523
HA 2396
HA 2332 ✓
Sea Brim, Inc.



RECEIVED

SEP 3 1981

COMMISSIONER OF PUBLIC LANDS

No. _____

September 2, 1981

Terry Roswall
Dept of Natural Resources
Public Lands Building
Olympia, WA 98504

Dear Terry:

Upon approval of the enclosed assignments, please return them to Pioneer Title, P.O. Box 246, Port Orchard, WA 98366.

The assignment approvals are the only items left to clear up before closing, so anything you can do to expedite matters will be greatly appreciated.

Very truly yours,

SEA BRIM, INC.

Terry D. Durst

TLD/bk
Encls.

LAW OFFICES OF
SETCHELL & GATHE

Larry Setchell, P.S.
Theodore H. Gathe, P.S.
Seth M. ("Kelly") Fulcher, Jr.
June 18, 1981

RECEIVED

JUN 19 1981

COMMISSIONER OF PUBLIC LANDS
NO. _____

Mr. Terry Roswall
Department of Natural Resources
Public Lands Building
Olympia, Washington 98504

Re: Sea-Brim, Inc.

Dear Mr. Roswall:

I represent Investments by D & D and Sea-Brim, Inc. who are the developers of a condominium project located off Naval Avenue in Bremerton, Washington.

Sea-Brim has recently acquired an existing marina located east of the condominium site on Washington Narrows. This marina operates under a lease from the State of Washington. Sea-Brim intends to refurbish the existing marina so as to provide a modern and safe facility. In addition, Sea-Brim intends to market a portion of the moorage spaces somewhat in the form of a condominium allowing for each moorage user to have the use of common facilities and areas in conjunction with the use of the slip. The governing body of the boat moorage condominium would be an association made up of all moorage holders. This association would be responsible for collecting monthly maintenance and other fees, providing services for repair of moorage facilities and payment of all annual rental costs and other charges due the State of Washington. With regard to the annual lease payments, the moorage association and not the individual moorage holders would be the party responsible for making all lease payments. The marina association would, in effect, be subletting the individual moorage spaces and would remain the lessee under the terms of the lease with the State of Washington.

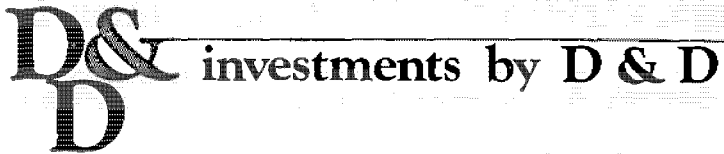
Sea-Brim's plans include a functional and attractive marina complex to replace the dilapidated structures that now exist on the site.

If you have any questions with regard to the matters discussed herein, please contact me.

Very truly yours,
THEODORE H. GATHE, P.S.

By  Theodore H. Gathe

THG/mar
cc: Sea-Brim, Inc.



1214 Warren Ave. N. Seattle, WA 98109

May 28, 1981

Mr. T.W. Roswall
Division of Marine Land Management
Olympia, WA 98504

Dear Mr. Roswall:

Per the conversation of May 21, 1981 with your department, I am proceeding with the assignment of lease from Sea Gate, Inc. to Sea Brim, Inc.

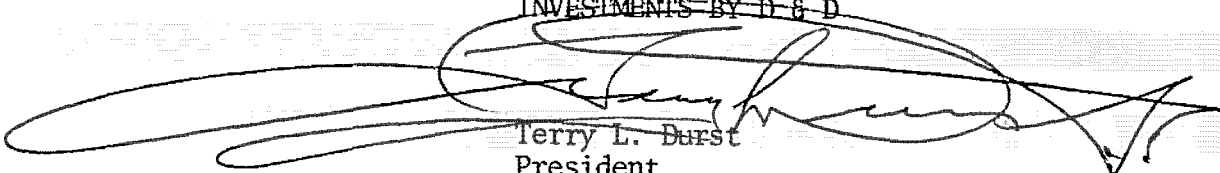
We discussed having a mortgage security form and we will be sending these immediately, so that if Sea Brim, Inc. fails to perform on their contract with Sea Gate, Inc., then Sea Gate, Inc. will have the right to said lease. We understand that Sea Gate, Inc. will be kept informed at all times concerning late payments or default.

It was very enjoyable meeting with your department concerning our marina and we are very happy to know that you support this type of project. I have contacted other state agencies and they all have indicated it will make an excellent project for the Bremerton area.

Thanks again, and should you need to contact us for any reason, please do not hesitate to call us at 479-6785.

Very truly yours,

INVESTMENTS BY D & D


Terry L. Durst
President

TLD/ddm

RECEIVED

JUN 1 1981

COMMISSIONER OF PUBLIC LANDS

No. _____

DNR-00018720

JACK CYR, JR., P.S., INC.

ATTORNEY AT LAW

May 12, 1981

PORT ORCHARD OFFICE:

803 DWIGHT ST.
PORT ORCHARD, WN. 98366
PH: 876-5446

BREMERTON OFFICE:

258 4TH ST.
BREMERTON, WN. 98310
PH: 479-1662

RECEIVED

MAY 13 1981

COMMISSIONER OF PUBLIC LANDS
No. _____

State of Washington
Department of
Natural Resources
Olympia, WA 98504

ATTN: T.W. Roswall

RE: Harbor Area Lease Nos. 2332 and 2386⁹

Dear Sir;

I am enclosing a Xerox copy of your April 23, 1981, letter. As we discussed during our telephone conversation on April 20, 1981, I think that the problems of the boathouses will be solved with our proposed assignment of the above leases to Terry Durst Enterprises, Incorporated. Mr. Durst is the owner of the Sea Brim Condominiums located directly behind the Colonial Manor Apartments at the top of the bluff above the marina.

At present, Sea-Gate, Incorporated, has signed an option which will be exercised on or before June 1, 1981, for the assignment of these two (2) leases and a conveyance of all the personal property located on the marina to Mr. Durst's corporation.

Mr. Durst has indicated in his negotiations with us that he would propose to tear the boathouses down to the water level and use the styrofoam floats thereunder for moorage. He also indicates that he would like to rehabilitate the entire marina during this summer. I would appreciate it if you would contact Mr. Durst directly at 479-6785 to ensure that these plans would be acceptable to the Department of Natural Resources.

If the plans meet with your approval, I would request a letter to the effect that the Department of Natural Resources would be willing to agree to the assignment from Sea-Gate, Incorporated, to Durst Enterprises, Incorporated, on June 1, 1981.

I would also like to make arrangements for the release of Sea-Gate on the \$1,000.00 bond of January 4, 1977.

*Letter from
support*

T.W. Roswall
RE: Harbor Area Leases
May 12, 1981
Page Two of Two
* * * * *

At present, it is contemplated that the assignment of two (2) harbor area leases above would be prepared, signed by the proper corporate officers, and then placed in escrow until the final payment was made within three (3) years from June 1, 1981. Would you please advise whether the Department of Natural Resources would sign their consent on said assignment as of June 1, 1981, or when it became effective sometime within the three (3) year period subsequent?

Should you have any additional questions concerning this transaction, please feel free to contact me at the Bremerton number above.

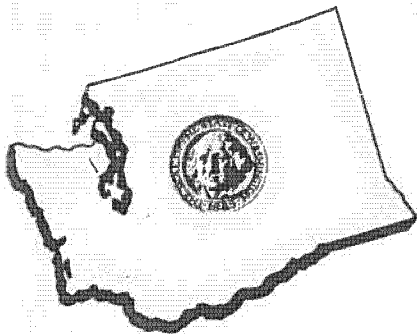
Sincerely,



Jack Cyr, Jr.,
Secretary for Sea Gate, Inc.

Enclosure
JC/emm

I called Mr. Cyr on 5/19/81 concerning the assignment of HA 2332 & HA 2396. He will add a clause in the real estate contract that will bind the seller to assign their interest in said leases upon fulfillment of the contract and approval of Comm. Pub Lands. Mr. Durst (proposed assignee) appears to have good intention of cleaning up the lease area. He will make a recreational beach available to Condo. owners.



STATE OF WASHINGTON

Department of
Natural Resources

COMMISSIONER
BRIAN J. BOYLE

R. A. BESWICK
SUPERVISOR

OLYMPIA, WASHINGTON
98504

April 23, 1981

Sea Gate, Inc.
803 Dwight Street
Port Orchard, WA. 98366

Attention: Jack Cyr, Jr.

Dear Mr. Cyr:

A recent inspection of your lease area, covered under Harbor Area Lease Nos. 2332, and 2396 has revealed several improvements placed thereon within the past year. The improvements were placed on the harbor area without the Lessor's approval. Please refer to lease clause 4.3 Improvements.

It is our understanding that an Army Corps of Engineers permit must be obtained for new structures, including boathouses. Had such a permit been sought, we would have been aware of your plans to place the boathouses on the leased harbor area. You would have then been notified of our aquatic land management policies on marinas and moorages.

Moorage facilities developed on aquatic lands shall be designed so as to minimize adverse esthetic impacts. Open moorage is preferred in relatively undeveloped areas and locations where view preservation is desirable, and/or leisure activities are prevalent. Enclosed moorage should be confined to areas of an industrial character where there is a minimum of esthetic concern. (WAC 332-30-139 marinas and moorages).

In reference to our telephone conversation on April 20, 1981, you felt that the assignment of the aforementioned leases would solve the problem of the boathouses. The assignee would construct a new marina with better materials and design, thereby removing the boat houses. It appears to us that this may be a workable solution if the assignee is agreeable to it.

Please feel free to contact us if you have any questions regarding your harbor area leases. I have enclosed a copy of Chapter 332-30 WAC for your convenience.

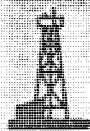
Very truly yours,

T. W. ROSWALL
Division of Marine Land Management

TWR/nr
Enclosure
cc: HA 2332 - HA 2396

AN EQUAL OPPORTUNITY EMPLOYER

DNR-00018723



TO:

FROM:

SUBJECT:

STATE OF WASHINGTON

DEPARTMENT OF NATURAL RESOURCES

BERT COLE, Commissioner

SPEED MEMO

DATE:

3-26-81

It was learned today that some of the old house boats from Eagle Harbor (Lease 10805) have been moved to the Buxerton area & acquired by a Frank Whitson. He is a partner of Sea Gate Inc & they have two leases in the Harbor area. Please check this area out for compliance with existing & permitted uses. House boats are not vessels & thus would seem to be an "improvement" (?) which would then need DNR's prior approval + permit from Corp.

SIGNED

cc 10805 & HA-2332

REPLY

DATE

SIGNED

RES 35-2505 (12-75)

This form printed on NO CARBON REQUIRED paper. Return pink copy with reply.

3

DNR-00018724

LAW OFFICES
BISHOP, CUNNINGHAM, COSTELLO & HARTMAN, INC. (P.S.)

KITSAP PLAZA BUILDING
3330 KITSAP WAY
DRAWER 88, WYCOFF STATION
BREMERTON, WASHINGTON 98310

TELEPHONE (206) 377-7891

JOHN A. BISHOP
GARY A. CUNNINGHAM
LEONARD W. COSTELLO
RUSSELL W. HARTMAN

RECEIVED

January 12, 1981

JAN 15 1982

COMMISSIONER OF PUBLIC LANDS

T. W. Roswall
Division of Marine and Land Management
Department of Natural Resources
Olympia, Washington 98504

NO. _____

Re: Easement over Harbor Lease No. 2523

Dear Mr. Roswall:

(b) (6), lessees under Department of Natural Resources Harbor Area Lease No. 2523, have asked me to respond to your letter of December 14, 1981. (b) (6) do not believe the principals of Sea Brim, Inc. are being entirely truthful when they represent they require access across the (b) (6) Harbor Lease because legal access is unavailable from other sources for the benefit of their marina.

When Sea Brim purchased the marina they approached Mr. (b) (6) about cooperative development of the Cooper/Verhelst harbor area and uplands. Mr. (b) (6) inquired whether Sea Brim had legal access to the marina. Sea Brim replied that it did, representing that:

1. It was purchasing the uplands and harbor area lease immediately to the West of the marina, owned by a (b) (6).
2. It was purchasing additional uplands immediately to the West of the (b) (6) property, owned by (b) (6)
3. It had legal access down a stairway on the uplands adjoining the Sea Brim Harbor lease, owned by (b) (6)

Copies of the (b) (6) and (b) (6) earnest money agreements, which Sea Brim recorded, are enclosed for your reference. Also enclosed is a map of the area showing the layout of the (b) (6), Sea Brim, and (b) (6) properties.

*see attachments to this letter
in HA 2523*

cc. HA 252

Page Two

(b) [REDACTED] have done additional research concerning the access issue, and discover that Sea Brim has tendered an offer to purchase a portion of the (b) (6) [REDACTED] uplands, and that there is probably a written, but unrecorded, easement for use of the stairway on the (b) (6) [REDACTED] property.

An easement across the (b) (6) [REDACTED] harbor area to Renn Stroll is no better access than the staircase on the (b) (6) [REDACTED] property. Renn Stroll is only 10 feet wide, and at best provides a foot path down to the harbor area. Since Sea Brim has already established access rights across the (b) (6) [REDACTED] properties, (b) [REDACTED] do not believe it would be fair or proper to grant additional access across their harbor area. They see the request for an easement as a ploy to diminish the future marketability of their property through creation of an encumbrance. (b) [REDACTED] found the principals of Sea Brim, Inc. to be quite antagonistic when (b) [REDACTED] elected not to sell to them, or to develop cooperatively with them. (b) [REDACTED] elected not to proceed on this basis, because they believe Sea Brim, Inc. to be an extremely poor credit risk. Sea Brim recently defaulted on a loan for construction of a condominium project. The default resulted in losses to labor and materialmen who worked on the project in excess of \$200,000.00.

(b) [REDACTED] hope that the information contained in this letter will assist the State in determining whether or not to grant an easement across Harbor Area Lease No. 2523. (b) (6) [REDACTED] sincerely hope the State will elect not to establish this encumbrance on the (b) (6) [REDACTED] leasehold area.

Very truly yours,


RUSSELL W. HARTMAN

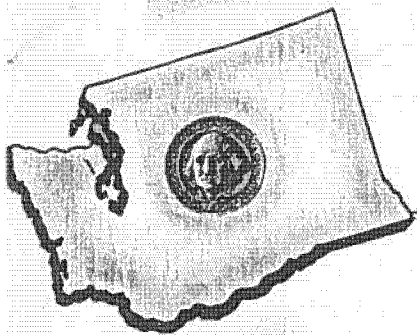
RWH:co

Enc.

CC: Mr.

Mr. [REDACTED]

(b) (6)



STATE OF WASHINGTON

Department of
Natural Resources

COMMISSIONER
BERT L. COLE

R. A. BEBICK
SUPERVISOR

OLYMPIA, WASHINGTON

98504

March 4, 1980

Sea Gate, Inc.
803 Dwight
Port Orchard, WA. 98366

Re: HA 2332

Dear Customer:

Our attorney, Mr. Bateman, has advised this office of the out of court settlement reached between your company and our department. This settlement was based upon a valuation of \$7,500.00 per acre and resulted in a revised annual ^{rate} as follows:

November 1, 1979 to November 1, 1980 - \$835.00

November 1, 1980 to November 1, 1981 - \$835.00

November 1, 1981 to November 1, 1982 - \$875.00

November 1, 1982 to November 1, 1983 - \$954.00

November 1, 1983 to November 1, 1984 - \$954.00

TAX
\$100.20

105.

\$114.48

\$114.48

As per Mr. Whitmans request of February 29, 1980, we have enclosed a work form utilized in prorating the annual rents - all according to Substitute Senate Bill 2284.

If you have any questions please feel free to contact us at any time.

Very truly yours,

BERT L. COLE
Commissioner of Public Lands

FRANK HANSEN
Division of Marine Land Management

FH/nr
Enclosure
cc: HA 2332



AN EQUAL OPPORTUNITY EMPLOYER

DNR-00018727

JACK CYR, JR., P.S., INC.

ATTORNEY AT LAW

February 29, 1980

PORT ORCHARD OFFICE:

803 DWIGHT ST.
PORT ORCHARD, WN. 98366
PH. 876-5446

BREMERTON OFFICE:

258 4TH ST.
BREMERTON, WN. 98310
PH. 479-1862

RECEIVED
MAR 24 1980

COMMISSIONER OF PUBLIC LANDS
No. _____

HA-2332

Mr. Frank Hanson
Department of Natural Resources
State of Washington
Olympia, Washington 98504

Dear Mr. Hanson:

Enclosed is a Xerox copy of my previous letter - *None received*
to Mr. Bateman of the Attorney General's office.

The Treasurer of Sea-Gate Incorporated has recently sent to my attention a copy of your letter stating that the amount of the leasehold payment for this year would be \$935.00.

This is not in accordance with the settlement which Mr. Bateman and I agreed upon. As you know, the Port Orchard Marina settled for a valuation of slightly in excess of \$5,000.00 per square acre. Mr. Bateman and I split the difference between \$5,000.00 per square acre and \$10,000.00 per square acre and agreed at \$7,500.00 per square acre upon the condition that the leasehold payment would be the same for the full five year term, up through November of 1984.

I am also enclosing a Xerox copy of the letter - *None received*
which we received from your office. The initial figure for this year is satisfactory, but there was no agreement as to the additional \$100.00 tax, nor for the additional increases for the subsequent years. *Is the 12% leasehold tax*

In the event that we do not have an agreement, we shall be forced to go back before the Kitsap County Commissioners. Please advise at your earliest possible convenience.

Sincerely,

Jack Cyr, Jr.

Jack Cyr, Jr.

Enclosures

3/24/80 - Called Jack Cyr & tried to explain again - they thought the rent was supposed to be \$835/year for whole 5 years. - Bateman also called him & confirmed my figures. JH

DNR-00018728

JACK CYR, JR., P.S., INC.

ATTORNEY AT LAW

February 14, 1980

PORT ORCHARD OFFICE:

803 DWIGHT ST.

PORT ORCHARD, WN. 98366

PH. 876-5446

BREMERTON OFFICE:

258 4th St.

BREMERTON, WN. 98310

PH. 479-1682

Mr. Dave Bateman
Attorney General's Office
Room 310
Public Lands Building
Olympia, Washington 98503

RE: Seagate Marina Leasehold (W.A. 2332)

Dear Dave:

This is to confirm our settlement on the appraised value for the leasehold known as "Seagate Marina".

The agreed value is \$7,500.00 per acre, which shall continue for the present five-year term (December 1979 through November 30, 1984).

Should you have any additional questions, please feel free to contact me at the Bremerton office number above.

Thank you for your assistance.

Sincerely,



Jack Cyr, Jr.

cc: Mr. (b) (6)

Dave Bateman (AG) notes as of 2/13/80
for HA-2332 Valuation Appeal

Redacted

Redacted



KITSAP COUNTY

614 DIVISION STREET

PORT ORCHARD, WA 98366

AREA CODE 206, 876-7146

RECEIVED

FEB 5 1980

COMMISSIONER OF PUBLIC LANDS

No. 102m

BOARD OF COMMISSIONERS

JOHN HORSLEY
District 1

WILLIAM H. MAHAN
District 2

GENE LOBE
District 3

December 31, 1979

Mr. Bert Cole, Director
Department of Natural Resources
Public Lands Building
Olympia, Washington 98504

Dear Mr. Cole:

Notice is hereby given that according to R.C.W. 79.01.520, the Valuation Board has received Notice of Appeal from a valuation assessment of the Department of Natural Resources, said notice having been received from Jack Cyr, Jr., Secretary of Sea-Gate, Inc. as regards Harbor Area Lease Number 2332 covering harbor area fronting portions of Government Lot 7, Section 11, Township 27 North, Range 1 East, W.M., under Substitute Senate Bill Number 2284.

A meeting date for the convening of the Valuation Board has been set for February 13, 1980 at the hour of 1:30 P.M. and will be held in the Board of Kitsap County Commissioners' Chambers, Room 104, 614 Division Street, Port Orchard, Washington to hear said appeal.

A copy of the Notice of Appeal received from Sea-Gate, Inc. is enclosed for your review.

Sincerely,

Gene Lobe, Chairman
KITSAP COUNTY BOARD OF COMMISSIONERS

pb

Enc. (1)

TO: ~~Bill Johnson~~
FROM: ~~Frank Hansen~~
SUBJECT: HA-2332 appeal - Sea-Date

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT COLE, Commissioner

SPEED MEMO

DATE:

11-9-79

This re-valuation was the ^{1st} normal 5 year re-valuation since lease beginning date of Nov. 1, 1974.

Sea-Date has another lease adjacent to this one & is based upon same valuation per acre. In addition there are many other leases in the vicinity utilizing this value and thought Sea-Date, Inc. had or would accept a similar valuation of \$15,000 per acre.

c.c. Ted Torge

SIGNED

(I meant \$10,000 / ac)
319

REPLY

Bob -
B's reviewed w/ Ted -
he called me

DATE

SIGNED

Other Harbor Area Leases
in Kitsap County

<u>Lease No.</u>	<u>Name</u>	<u>Rent based upon</u>	<u>Last Revaluation date</u>
1. HA 1879	Bremer Inc.	\$12,000/AC	09/76
2. HA 2292	Port of Bremerton	15,000/AC	11/78
3. HA 2310	Bremer Inc.	15,000/AC	04/79
4. HA 1511	City of Bremerton	15,000/AC	08/78
5. HA 2133	Bremer Inc.	15,000/AC	08/79
6. HA 2291	Chevron USA Inc.	13,000/AC	01/79
7. HA 2274	City of Bremerton	10,000/AC	04/78
8. HA 2452	Lentz Inc.	13,000/AC	01/78
9. HA 2141 ^{NOW} 2523	(b) [REDACTED]	7,650/AC ^{NOW \$10,000/AC}	12/74
10. HA 2332	Sea - Gate Inc.	5,100/AC ^{\$10,000/AC}	11/74 ^{Appealed}
11. HA 2399	Sea - Gate Inc.	10,000/AC	11/76
12. HA 2420	(b) (6) [REDACTED]	7,500/AC	01/77

JACK CYR, JR., P.S., INC.

ATTORNEY AT LAW

October 17, 1979

PORT ORCHARD OFFICE:

803 DWIGHT ST.
PORT ORCHARD, WN. 98366
PH. 876-5446

BREMERTON OFFICE:

258 4TH ST.
BREMERTON, WN. 98310
PH. 479-1662

RECEIVED
OCT 19 1979
COMMISSIONER OF PUBLIC LANDS

Mr. Frank Hansen
Marine Lands Management
State of Washington
Department of Natural Resources
Olympia, Washington 98504

Dear Mr. Hansen:

I received your certified letter, which was mailed on October 1, 1979.

As I understand Section 2 of Substitute Senate Bill Nr. 2284, "the annual rental fee for a harbor area lease shall not increase at a rate of more than 6% per year, regardless of the reappraised value of the harbor area, unless the reappraisal is conducted by an independent fee appraiser who is a member of the Appraisal Institute and designated M.A.I. or a member of the Society of Real Estate Appraisers who is designated S.R.P.A. or S.R.E.A. and who uses local comparable land values."

Would you please forward, at your earliest possible convenience, the name of the independent fee appraiser who is qualified under the terms of the statute and also the local comparable land values which were used in computing the "true and fair value" (exclusive of improvements) of \$21,200.00 on Harbor Area Lease Nr. 22-002332. In the event that we have not received this information by October 20, 1979, we intend to appeal the evaluation to the County Commissioners, County Treasurer and County Assessor in accordance with the Section 1 of the substitute Senate Bill Nr. 2284.

May we hear from you at your earliest convenience.

Sincerely,

Jack Cyr, Jr.

Jack Cyr, Jr.
Secretary
Sea-Gate, Inc.

*10/19/79 - Tried to call Mr. Cyr - wasn't in
so left message to call before 5PM tonight. JH
Lease HA-2396 also to them based on \$10,000²²/Ac*

*10/23/79 - Talked with Jack Cyr - gave him comparable transactions in area - He will check with his
group & advise on their course of action.*



STATE OF WASHINGTON

Department of
Natural Resources

COMMISSIONER
BERT L. COLE

R. A. BESWICK
SUPERVISOR

OLYMPIA, WASHINGTON
98504

CERTIFIED MAIL

DATE MAILED OCT 01 '79



Sea Gate, Inc.
803 Dwight
Port Orchard, WA 98366



Gentlemen:

This is in regards to your Harbor Area Lease No. 2332 covering harbor area fronting portions of Government Lot 7, Section 11, Township 27 North, Range 1 East, W.M.



Under provisions of said lease the annual rental for the next five year period beginning November 1, 1979 would normally be \$1,272.00 based upon 6% of the full market value of \$21,200.00.



However, on April 30, 1979 Substitute Senate Bill 2284 became law and requires a change in our method of rental determination up through July 1, 1982.

Thus for the next five year period the annual rental shall be as follows:

November 1, 1979 to November 1, 1980 --	\$ 835.00
November 1, 1980 to November 1, 1981 --	\$ 835.00
November 1, 1981 to November 1, 1982 --	\$ 982.00
November 1, 1982 to November 1, 1983 --	\$1,272.00
November 1, 1983 to November 1, 1984 --	\$1,272.00



Therefore, the sum of \$935.20 (Rent \$835.00 + Tax \$100.20) is now due for the period November 1, 1979 to November 1, 1980.



Should you have any questions please feel free to contact us at any time.

Very truly yours,

BERT L. COLE
Commissioner of Public Lands



Frank Hansen
Frank Hansen
Marine Lands Management

FH:ls

cc: HA 2332

AN EQUAL OPPORTUNITY EMPLOYER

DNR-00018736



STATE OF WASHINGTON
Department of
Natural Resources

COMMISSIONER
BERT L. COLE

R. A. BESWICK
SUPERVISOR

OLYMPIA, WASHINGTON
98504

May 7, 1979

Sea Gate, Inc.
803 Dwight
Port Orchard, WA. 98366

Re: HA 2332

Dear Mrs. Cyr:

Reference is made to our telephone conversation on May 2, 1979,
concerning Harbor Area Lease No. 2332.

As you are aware, the Department of Natural Resources is required to
collect leasehold interest tax. This tax was retroactive to
January 1, 1976, unless specifically exempted.

By mistake the wrong number was punched into our computer, which
exempted Harbor Area Lease No. 2332. Therefore, no billings were
sent out requesting the tax together with the rental.

This error has been corrected, however, it is still our responsibility
to collect the back taxes.

wrong A total of \$141.37 tax is owing from January 1, 1976 to November 1,
1978. Please remit to the Department of Natural Resources \$141.37
for the leasehold interest tax. Enclosed is a brochure explaining
the particulars of this tax.

Please accept our apologies for the inconvenience this causes you.

Very truly yours,

BERT L. COLE
Commissioner of Public Lands

T. W. ROSWALL
Division of Marine Land Management

TWR/nr
Enclosure
cc: HA 2332 ✓

AN EQUAL OPPORTUNITY EMPLOYER

DNR-00018737

August 3, 1978

Mr. Jack Cyr, Jr. P.S. Inc.
Attorney at Law
500 Pacific Avenue
Bremerton, WA 98310

Re: Lease No. HA 2332-SeaGate, Inc.
Kitsap Co., Account No. 009501-8

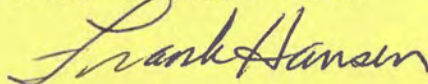
Dear Mr. Cyr:

In response to your letter of July 18, 1978, please be advised that no records exist in this office that would indicate we are the record holder to any improvements situated on said Lease No. HA-2332. Existing rental rates for your lease area have been calculated exclusive of improvements. We must therefore assume the 1978 personal property tax statement is correct and are returning it to your office for further processing.

Should you have any additional questions, please feel free to contact us at any time.

Very truly yours,

BERT L. COLE
Commissioner of Public Lands



FRANK HANSEN
Division of Marine Land Management

FH:Jo
cc: Kitsap Co. Treasurer
HHA-2332
South Puget Sound Area

JACK CYR, JR., P.S., INC.

SUITE 301
GREAT NORTHWEST BLDG.

ATTORNEY AT LAW
500 PACIFIC AVENUE
BREMERTON, WASHINGTON 98310

TELEPHONE
(206) 479-3750

July 18, 1978

State of Washington
Department of Natural Resources
Marina Land Management
Olympia, Washington 98504

Re: Harbor Lease No. HA2332
Attn: Tom Boone

Dear Mr. Boone:

Enclosed please find a Personal Property Tax Assessment for the house and related outbuildings located upon the leasehold referred to above.

I have had a conference with the Kitsap County Assessor and have forwarded a copy of the above entitled lease between DNR and Sea-Gate, Inc., with an emphasis upon the provision in the lease whereby the improvements revert to the lessor.

By the terms of the lease, the personal property assessed by Kitsap County for the personal property tax belongs to the lessor.

Sea-Gate, Inc. does not object to paying the personal property tax in addition to the State's leasehold tax, but we would request something in writing from the lessor conveying the personal property to Sea-Gate, Inc., a Washington corporation.

You may contact me at the above phone number concerning this matter once you have had an opportunity to review this lease and perhaps talk to the Kitsap County Tax Auditor.

I am enclosing the 1978 Personal Property Tax for your convenience in dealing with the Kitsap County Tax Assessor.

Thank you for your time and consideration in this matter.

Sincerely,

Jack Cyr, Jr.

Jack Cyr, Jr.

Enc.

cc: (b) (6)

Bainbridge Island, Washington 98110

RECEIVED

JUL 19 1978

COMMISSIONER OF PUBLIC LANDS
No. _____

*7/21/78 - called Mike Eastman / Assessment office - explained we don't claim improvements
and Peter was gone - may call tomorrow*

DNR-00018739

July 13, 1976

J. Michael Koch
Post Office Box 368
Silverdale, WA. 98383

Dear Mr. Koch:

We are in receipt of your letter dated July 6, 1976 concerning Harbor Area Lease No. 2332 presently standing in the name of (b) (6)

You will note from the enclosed information that there was some correspondence regarding a possible assignment to a (b) (6) back in October of 1975. Clause 5.1 of the lease agreement states that this lease, or any portion thereof, may not be assigned, mortgaged, sublet or otherwise transferred without the prior written consent of the Lessor. Our records do not indicate that we ever received any such assignment papers.


You will note, however, that there was an "Involuntary assignment" dated January 28, 1976 as per Judgement No. 61772.

The records indicate that (b) (6) made a payment of \$624.60 on January 19, 1976 covering the lease period of November 1, 1975 to November 1, 1976 and the lease appears in order from our standpoint.

Should you have further questions please feel free to contact us at any time.

Very truly yours,

BERT L. COLE
Commissioner of Public Lands



FRANK HANSEN
Division of Marine Land Management

FH/nr
Enclosures
cc: Alice Manley
HA 2332
South Puget Sound Area

*sent Xerox of Oct 6, 1975 letter by Hathaway
Oct 27, 1975 letter by Boone
assignment*

F.Rank

J. MICHAEL KOCH

ATTORNEY AT LAW

POST OFFICE BOX 368
SILVERDALE, WASHINGTON 98383

July 6, 1976

TELEPHONE
(206) 692-5551

Mr. Bert L. Cole
Commissioner of Public Lands
Department of Natural Resources
Olympia, Washington 98504

Dear Mr. Cole:

I am writing to you with regard the harbor area Lease No. 2332. My client, (b) (6), has talked to your assistant, Frank Hanson in recent days. He indicated a written request would be necessary to determine whether any assignment or partial assignment of the Lease had occurred since May, 1975. A Bill of Sale purporting to convey a one-third undivided interest in the marina to a Mr. (b) (6) was filed in Kitsap County under Auditor's File No. 1099407 on May 9, 1975. The Bill of Sale furthermore contained language pretty much as follows:

"This transaction void if assignment of lease not approved by the Commissioner of Public Lands."

We have been given to understand that the assignment was never allowed, thus perhaps making void the Bill of Sale which was entered into.

Please indicate what if anything was filed and whether or not it was approved, and what the status of the purported assignment is at this time. Please direct your reply, for the sake of speed in having this transaction closed, to Alice Manley at Pioneer National Title Insurance Company, 523 - 4th Street, Bremerton, Washington 98310. Please send me a copy of your letter. Thank you.

Sincerely,



J. MICHAEL KOCH

JMK/sue

cc: Client

DNR-00018741

J. MICHAEL KOCH

ATTORNEY AT LAW

**Post Office Box 368
SILVERDALE, WASHINGTON 98383**

January 19, 1976

RECEIVED
TELEPHONE
(206) 692-5551
JAN 21 1976

Mr. Tom Boone
Department of Natural Resources
Marine Land Management Division
Olympia, Washington 98504

Re: Snow Marina
Lease No. HA2332

Dear Mr. Boone:

Per your request, I am enclosing a copy of the court order granting the entire interest of (b) (6) in the Marina to (b) (6). She will be forwarding to you the lease payment of \$642.60 if you have not already received same.

If there are any questions regarding this matter, please do not hesitate to contact me.

Sincerely,


J. MICHAEL KOCH

cc. (b) (6)

Enclosure

LANDS DIVISION
SUPERVISOR

OCT 8 - 1975

AGRIC.	
COMM.	
GEOL.	
R. E. & GRAZ.	

LAW OFFICE OF
JOHN W. HATHAWAY
306 MAIN AVENUE
TILLAMOOK, OREGON 97141
TELEPHONE (503) 842-4471

October 6, 1975

RECEIVED

OCT 8 1975

COMMISSIONER OF PUBLIC LANDS

Commissioner of Public Lands
of State of Washington
Olympia, Washington

GOV 7 11 24N 1E
BAYVIEW

Dear Sir:

(b) (6) assigned an undivided one-third interest in a certain leasehold interest in Kitsap County, Washington to (b) (6). At the time of the transaction, they provided (b) (6) with an assignment.

I would appreciate it if you would send me the necessary forms to confirm the assignment so that it will comply with your laws relating to such matters.

Very truly yours,

John W. Hathaway
John W. Hathaway

JWH/s

INDUSTRIAL
PARKS

KITSAP
AIRPORT

INDUSTRY
AVIATION
COMMERCE

THE PORT OF BREMERTON

ROUTE 4, BOX 418 • PORT ORCHARD, WASHINGTON 98366 • (206) 674-2543

November 14, 1974

RECEIVED

NOV 15 1974

COMMISSIONER OF PUBLIC LANDS

NO. _____

Mr. T. A. Boone
Division of Marine Land Management
Department of Natural Resources
Olympia, Washington 98504

Dear Mr. Boone:

Reference is made to your letter dated October 28, 1974, concerning Application No. HA2332 filed by (b) (6) to release the harbor area fronting a portion of Government Lot 7, Section 7, Township North, Range 1 East, W. M. in Bremerton.

This is to advise you that the Port of Bremerton has no objection to the above application by (b) (6).

Sincerely yours,

THE PORT OF BREMERTON

E. R. Meyer
EDGAR R. MEYER
Port Manager

cc:

Port Commissioners (3)

ERM:lc

PORT OFFICES LOCATED IN KITSAP AIRPORT TERMINAL BUILDING

DNR-00018744

Dept. of
Natural Resources
Donald F. McKay
Office Mgr.

Dear Sir -

(b) (6)

has
turned over the property and lease to me,
because of his failure to pay me what
he owes me, the lease, and other bills
due on it.

Thank you -

(b) (6)

RECEIVED

JAN 19 1976

COMMISSIONER OF PUBLIC LANDS

No. _____

Bremerton, Wn.
98310

SELLER'S FINAL CLOSING STATEMENT

Prepared by
 STEWART TITLE COMPANY OF WASHINGTON, INC.
 1201 THIRD AVENUE
 WASHINGTON MUTUAL TOWER, SUITE 3800
 SEATTLE, WASHINGTON 98101-3055
 (206) 622-1040 OR 1-800-634-5544

Seller(s)..... (b) (6)
 Buyer(s).....
 Lender.....
 Property..... PORT WASHINGTON MARINA BREMERTON, WASHINGTON
 Closing date... 07/30/1993 Proration date: 08/01/1993
 File Number... 46018141

	DEBIT	CREDIT
SALES PRICE.....		950,000.00
DEPOSITS:		
DEPOSIT FROM SELLER.....		45,953.35
REMITTER: (b) (6)		
PRORATIONS:		
COUNTY TAXES.....	1,207.22	
from 07/01/93 to 08/01/93 @ \$ 38.94274 per day		
MISCELLANEOUS ADJUSTMENTS:		
TRANSFER SECURITY DEPOSITS - DEPOSIT - APT B.....	300.00	
TRANSFER PRE-PAID RENT DEPOSITS -	182.00	
SLIP NO. 3 - EWART		
NOTE AND DEED OF TRUST TO SELLER.....	600,000.00	
EXCHANGE EQUITY.....	350,000.00	
COMMISSIONS:		
LISTING BROKER COMMISSION.....	47,500.00	
PAYEE...: MOORE & WASHBURN		
NOTE FOR DEFERRED COMMISSION.....		47,500.00
REMITTER: MOORE & WASHBURN		
ESCROW CHARGES:		
ESCROW CHARGES.....	1,082.00	
TITLE CHARGES:		
OWNER'S TITLE POLICY - PLUS WORK CHARGE.....	3,942.09	
Liability amount (OTP) \$950,000.00		
PAYEE...: STEWART TITLE OF KITSAP		
RECORDING FEES/TRANSFER CHARGES:		
RECORDING FEES Release amount \$200.00.....	200.00	
PAYEE...: STEWART TITLE OF WASHINGTON		
EXCISE TAX - PARKING LOT.....	178.00	
PAYEE...: KITSAP COUNTY TREASURER		
EXCISE TAX - TAX ON LEASEHOLD TRANSFER.....	16,732.00	
PAYEE...: KITSAP COUNTY TREASURER		
MISCELLANEOUS CHARGES:		
REAL ESTATE TAXES - DELINQUENT TAXES.....	19,545.10	
PAYEE...: KITSAP COUNTY TREASURER		
COSTS - EXCHANGE PROPERTY.....	61.65	
PAYEE...: STEWART ESCROW 46018141A		
LEASE PAYMENTS DUE DNR.....	1,653.00	
PAYEE...: WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES		
.....SUBTOTALS:	1,042,583.06	1,043,453.35
.....BALANCE DUE TO SELLER:	870.29	
.....TOTALS:	1,043,453.35	1,043,453.35

STEWART TITLE OF WASHINGTON, INC.

BY: _____

Lease Number 22-00 2332 UBI Use¹ MARINA Acres 2.19 ac
 Name PORT WASHINGTON MARINERS ASSN. DNR
 County KITSAP
 Previous Rent
 Current Revaluation Assessment Date 1992

County Parcel No.	Upland Value	Acres/ Sq. Ft.	Upland Value/ Acre	Aquatic Value @30%	Aquatic Lease Acres	Lease Area Value	Rent @ 7%
112401-3-075-2008	90,000	1.03	87,378.64	26,213.59	2.19	57,407.77	\$4,018.54
1. <u>3711-000-010-0002</u>	<u>10,000</u>	<u>.65 ac</u>	<u>15,384.62</u>	<u>\$4,615.39</u>	<u>2.19 ac</u>	<u>\$10,107.70</u>	<u>\$707.54</u>
2. <u> </u>							
3. <u> </u>							
4. <u> </u>							

↑ PARCEL IS STRUCTURALLY ATTACHED TO THE LEASE AREA / THERE IS AN ASSESSED VALUE AND AC AVAILABLE AT THE ASSESSORS OFFICE. IT IS NOT A SPECIAL USE ASSESSMENT. ASSESSED AS COMMERCIAL LAND.

112401-3-075-2008 IS NO LONGER AN APPROPRIATE PARCEL BECAUSE IT IS NOT USED IN CONJUNCTION WITH THE MARINA & IS NO LONGER STRUCTURALLY ATTACHED.

Remarks: For leases issued prior to October 1, 1984, is the new rent more than a 50 percent increase from the previous rent? Yes No
 If yes, do not increase the annual rents by more than 50 percent each year.

REVALUATION DATE = Nov. 1, 1992
 * NOTE: THIS LEASE WILL BE EXPIRED August 1, 1993 BECAUSE OF AMENDMENT. NEW LEASE 22002332 WILL TAKE ITS PLACE BEGINNING Aug 1, 1993. THIS REVAL ONLY CHANGES THE RENT UNTIL Aug 1, 1993.

PF/LEASE.FRM

NOV 1, 1992 TO Aug 1, 1993 = 304 DAYS
 $707.54 \div 365 = 1.94 \times 304 = \589.29 DUE FOR 92-93

PPI Adjustments
 85-86 + 2.375% 1.02375
 86-87 - 0.483% .99517
 87-88 - 2.914% .97086
 88-89 + 2.635% 1.02635
 89-90 + 4.030% 1.0403
 90-91 + 4.958% 1.04958
 91-92 + 3.654% 1.03654
 92-93 + .17% 1.0017

TRUST DIST. % OF RENT		
15	%	\$
17	%	\$
20	%	\$
21	%	\$
23	%	\$
24	%	\$
25	%	\$
28	%	\$
29	%	\$

Date 07-09-93
 By BBP

¹If use is log storage the rent is \$216.87 per acre. No parcel numbers are needed.

RENT CALCULATION FOR THE NEW 1992 LEASE

Lease Number 22-002332 UBI / / Use¹ 80 SLIP CONDO Acres 2.065 NWD
 Name PORT WASHINGTON MARINA OWNERS ASSN. DNR / / MARINA 3.995 WD
 County KITSAP 4.06
 Previous Rent 1991 & 1992 ASSESSMENT
 Current Revaluation Assessment Date 1993

County	Upland	Acres/	Upland Value/	Aquatic Value	Aquatic Lease	Lease Area	Rent
Parcel No.	Value	Sq. Ft.	Acre	@30%	Acres	Value	@ 7%

EXTENSION METHOD

1. 112401-3-078 — NOT STRUCTURALLY CONNECTED OR USED IN CONJUNCTION.
2. 112401-3-074-2009 — " " " " " "
3. 3711-000-010-0002 10,000 .65 15,384.62 4615.38 3.995 \$18,438.44 \$1,290.69 WD 92%
4. 10,000 .65 15,384.62 @ 10% = \$1538.46 .065 \$100.00 → + 100.00 NWD 8%
\$1,390.69

Remarks: For leases issued prior to October 1, 1984, is the new rent more than a 50 percent increase from the previous rent? Yes No
 If yes, do not increase the annual rents by more than 50 percent each year.

— ASSESSED W/ "COMMERCIAL USE" CALCULATION BY ASSESSOR
 — REAPPRAISED IN 4 YRS

PF/LEASE.FRM

PPI Adjustments
 85-86 + 2.375% 1.02375
 86-87 - 0.483% .99517
 87-88 - 2.914% .97086
 88-89 + 2.635% 1.02635
 89-90 + 4.030% 1.0403
 90-91 + 4.958% 1.04958
 91-92 + 3.654% 1.03654
 92-93 + .17% 1.0017

TRUST DIST. % OF RENT		
15	%	\$
17	%	\$
20	%	\$
21	%	\$
23	%	\$
24	%	\$
25	%	\$
28	%	\$
29	%	\$

Date 5-10-93
 By DON BORTK

For Brad Putney

¹If use is log storage the rent is \$216.87 per acre. No parcel numbers are needed.



WASHINGTON STATE DEPARTMENT OF
Natural Resources

FED ID: 91-6012771

* INVOICE *

Agreement Id: 22 002399
Invoice No : R808236

Page 1
Invoice Date: 04/08/93
Due Date : 05/08/93

PORT WASHINGTON MARINA
510 RAINIER AVENUE S
SEATTLE WA 98144

SPECIAL INSTRUCTIONS: THIS INVOICE IS FOR PERIOD
FROM 05/07/1993 TO 05/06/1994

LINE	VALUE
001 COMMERCIAL MARINA SERVICES	\$ 753.44
002 NON-PRODUCT LEASEHOLD TAX ADJUSTED	\$ 97.38

TOTAL - PLEASE PAY THIS AMOUNT \$
THE DEPARTMENT ASSESSES INTEREST ON PAST DUE ACCOUNTS

PD 4/30/93
EK-5707
855.32

If you have any questions, call AQUATIC LANDS DIVISION (206) 402-1100
Keep this portion for your records

Agreement Id: 22 002399
Invoice No : R808236
Customer Id : USI 601 033 911
NAME: PORT WASHINGTON MARINA


Acct Mgr: AWU4
Group : L=AS
Due Date: 05/08/93

REMIT CHECKS TO:
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL SERVICES DIVISION
PO BOX 47041
OLYMPIA, WA 98504-7041

TOTAL - Please pay this amount \$ 855.32

RETURN THIS PORTION FOR PROPER CREDIT TO YOUR ACCOUNT.

RCV B1 : 7-20-93 : 16:23 : 206 323 6980- STEWART TITLE CO. : # 2

PORT WASHINGTON MARINA		5207
		19-7117/3250
Pay to the order of	Dept of Natural Resources	4/30 19 93 \$ 855 ⁸²
THE SUM 855 DOLLARS 82 CTS		Dollars
 Fourth and Union Branch Puget Sound Bank Puget Sound Savings Bank 1320 Fourth Avenue Seattle, Washington 98101		
For	IN# RB08236	Shirley Phillips
Redacted		

PAY TO THE ORDER OF
OLYMPIACASC
SEAFIRST BANK
FOR DEPOSIT
DANIEL K. C. STAT.

FREE ENDORSEMENT AREA

AREA FOR BANK USE ONLY

0502 17492

Redacted

894 894
800 5 756 756
SEATTLE WA

MY '93 11

800 5 756 756
SEATTLE WA

11 93
800 5 756 756
SEATTLE WA

800 5 756 756
SEATTLE WA

FEDERAL BANKING ACT 1967 FEDERAL RESERVE REG. CO

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 07-23-90

AIMS HISTORY

CONTROL # NAME OF APPLICANT APPLICATION START-END ACCT AR/D/U TERM
 22-002332 PORT WASHINGTON MARINA 11-01-1974 11-01-2004 1139 13 0 0 060

DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	INVOICE	RECEIPT	BILDUE
301008	055213	MB	0160	835.00		835.00			801101
301008	055213	MB	9089	100.20		935.20			801101
301015	120821	CR	0160		835.00	100.20		120821	
301015	120821	CR	9089		100.20	.00		120821	
311008	061026	MB	0160	1,710.00		1,710.00			811101
311008	061026	MB	9089	205.20		1,915.20			811101
311123	001504	JC	0000		100.20	1,815.00			
311202	138663	CR	0160		835.00	980.00		138663	
311202	138663	CR	9089		100.20	879.80		138663	
320216	003092	JD	0000	257.76		1,137.56			820316
320319	003705	JC	0000		257.76	879.80			
320319	003705	JD	0000	257.76		1,137.56			820419
320917	001111	JC	0000		257.76	879.80			
320917	001112	JC	0000		835.00	44.80			
321014	001567	JD	0000	693.37		738.17			821114
321020	001679	JD	0000	693.37		1,431.54			821120

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 07-23-90

CONTROL # NAME OF APPLICANT APPLICATION START-END ACCT AR/D/U TERM
 22-002332 PORT WASHINGTON MARINA 11-01-1974 11-01-2004 1139 13 0 0 060

DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	INVOICE	RECEIPT	BILDUE
321028	154222	CR	0160		654.47	777.07		154222	
321028	154222	CR	9089		83.70	693.37		154222	
331110	003266	JD	0160	610.41		1,303.78			831210
331110	003266	JD	9089	167.41		1,471.19			831210
340127	175725	CR	0160		183.24	1,287.95		175725	
341109	003721	JC	0160		1,045.45	242.50			
341109	003721	JC	9089		134.24	108.26			
341227	084790	IB	0160	108.26		216.52			850126
341227	084790	IB	9089	13.90		230.42			850126
350117	085185	IB	9089	219.69		450.11			850216
350117	085185	IB	0160	1,711.00		2,161.11			850216
350122	193242	CR	0160		108.26	2,052.85		193242	
350122	193242	CR	9089		13.90	2,038.95		193242	
350204	006181	JD	0160	108.26		1,930.69			850304
350225	194745	CR	9089		219.69	1,711.00		194745	
350225	194745	CR	0160		1,711.00	.00		194745	

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 07-23-90

CONTROL # NAME OF APPLICANT APPLICATION START-END ACCT AR/D/U TERM
 22-002332 PORT WASHINGTON MARINA 11-01-1974 11-01-2004 1139 13 0 0 060

DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	INVOICE	RECEIPT	BILDUE
351205	095059	IB	0160	2,470.00		2,470.00			860104
351205	095059	IB	9089	317.15		2,787.15			860104
360203	211251	CR	9089		317.15	2,470.00		211251	
360203	211251	CR	0160		2,470.00	.00		211251	
361010	107442	MB	0160	3,179.00		3,179.00			861101
361010	107442	MB	9089	408.18		3,587.18			861101
361014	107629	IB	9089	5.78		3,592.96			861113
361014	107629	IB	0160	45.00		3,637.96			861113

DNR-00018752

DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	INVOICE	RECEIPT	BILDUE
70113	230253	CR	0160		3,224.00	3,224.00		230253	
71006	120796	MB	0160	3,166.78		3,166.78			871101
71006	120796	MB	9089	406.61		3,573.39			871101
71028	247316	CR	9089		406.61	3,166.78		247316	
71028	247316	CR	0160		3,166.78	.00		247316	
80914	138909	IB	0160	4,300.65		4,300.65	138909		881101
80914	138909	IB	9089	552.20		4,852.85	138909		881101

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 07-23-90

CONTROL #	NAME OF APPLICANT	APPLICATION START-END	ACCT	AR/D/U	TERM
2-002332	PORT WASHINGTON MARINA	11-01-1974 11-01-2004	1139	13 0 0	060

DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	INVOICE	RECEIPT	BILDUE
90105	144093	IB	0161	43.01		4,895.86	144093		881201
90202	145183	IB	0161	43.44		4,939.30	145183		890101
90314	278520	CR	0160		1,515.99	3,423.31	138909	278520	
90426	281176	CR	0160		2,784.66	638.65	138909	281176	
90426	281176	CR	9089		552.20	86.45	138909	281176	
90426	281176	CR	0161		43.01	43.44	144093	281176	
90426	281176	CR	0161		43.44	.00	145183	281176	
90911	154719	MB	0160	4,300.65		4,300.65	154719		891101
90911	154719	MB	9089	552.20		4,852.85	154719		891101
91127	293566	CR	0160		4,300.65	552.20	154719	293566	
91127	293566	CR	9089		552.20	.00	154719	293566	

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 07-23-90

CONTROL #	NAME OF APPLICANT	APPLICATION START-END	ACCT	AR/D/U	TERM
2-002332	PORT WASHINGTON MARINA	11-01-1974 11-01-2004	1139	13 0 0	060

PAYMENTS RECEIVED OTHER THAN FOR BILLINGS

DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	ACCT	SUSPNS	APPLIED
110915	135755	CR	6021		5.00	1600		135755

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 07-23-90

CONTROL #	NAME OF APPLICANT	APPLICATION START-END	ACCT	AR/D/U	TERM
2-002332	PORT WASHINGTON MARINA	11-01-1974 11-01-2004	1139	13 0 0	060

DATE LAST DEL = 2ND 3RD 4TH 5TH
03-89 06 06 07 *

NR99 22002332

Formula Rent

5/16/90

Port Washington Narrows HA leases

2.12 Ac.	2332	\$4300/yr. + \$553 LHT	Expend 4/29/75
.79 Ac.	2396	\$1,580/yr. + \$204 LHT	" 5/76
.45 Ac.	2399	\$650/yr. + \$83 LHT	" 5/76
<u>1.88 Ac.</u>	<u>2523</u>	<u>\$2,810/yr. + \$361 LHT</u>	" 12/79
5.24 Ac.		\$9,340 \$1,201	

open water: Marina constructed

2332 assigned 6/76 for \$20,000

2332/2396 loan Sec. Agree. 6/81 \$103,400 - 3 yr. term

2332/2396/2523 assigned 5/83 for \$157,500

2399 assigned 5/83 for \$180,000

2332/2396/2399/2523 loan Sec. Agree. 6/83 for \$1,600,000 - 1 yr. term

2332/2396/2399 Condominimized 12/83
Marina constructed 1983/1984 on these 3 leases

open water

2523 loan Sec. Agree. 5/87 for \$150,000 - 1 yr. term

2523 assigned 7/87 for \$150,000

Lease Number 2332
 Name _____
 County _____
 Previous Rent \$ _____
 Assessment Date _____

Use*

Acres

149,158 [#]

COUNTY* PARCEL#	UPLAND VALUE	ACRES/ SQ. FT.	UPLAND VALUE/ ACRE
1. 112401-3-075-2008	134,000	44,700 [#]	3.00 [#]
2. Pro-rate 22-002399 Paid 649.50 Rent + 83.40 Tax			
		- 314.96	- 40.44
3. 5/1/88-11/1/88 177 days		334.54	+ 42.96 Credit
11/1/88-5/1/89 188 days			
4. 177/365 = .4849315 X Rent Paid =			

AQUATIC VALUE @ 30%	AQUATIC LEASE ACRES	LEASE AREA VALUE	RENT @ 5%
0.90 [#]	149,158 [#]	134242.20	6712.11
			2453.80
Total <u>6712.11</u>			(FR)

If the difference between the Previous rent and the Formula rent is greater than \$100, and greater than 33%, then use the stairstep formula as follows.

Stairstep Decrease 1st Yr. = PR - .33(PR-FR)**

Stairstep Increase 1st Yr. = PR + .33(FR-PR)**

Prev. Rent = \$ _____
 Formula Rent = - \$ _____
 Difference = \$ _____
 Multiplier _____ x .33
 Adjustment = \$ _____
 Prev. Rent - Adj. = \$ _____
 Rounded to \$ _____ .00

Formula Rent = \$ _____
 Prev. Rent = - \$ _____
 Difference = \$ _____
 Multiplier = x _____ .33
 Adjustment = \$ _____
 Prev. Rent + Adj. = \$ _____
 Rounded to \$ _____ .00

Rent from 11/4/88 to 11/4/89

TRUST DIST. OF RENT	
15	\$ _____
16	\$ _____
17	\$ _____
18	\$ _____
19	\$ _____
20	\$ _____
21	\$ _____
23	\$ _____
24	\$ _____
25	\$ _____
28	\$ _____
29	\$ _____

* If use is log storage the rent is \$171 per acre. No parcel #'s needed.

** Rents for second year of stairstep dependent on annual inflation rate.

Date: 10/14/88

By: TWR

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 05-03-84

CONTROL #		NAME OF APPLICANT		APPLICATION START-END		ACCT	AR/D/U	TERM	
22-002332		PORT WASHINGTON PROPERTIES		11-01-1974 11-01-2004		1139	52 0 0	060	
DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	SUSPNS	APPLIED	BILDUE
801008	055213	MB	0160	835.00		835.00			801101
801008	055213	MB	9089	100.20		935.20			801101
801015	120821	CR	0160		835.00	100.20		120821	
801015	120821	CR	9089		100.20	00		120821	
811008	061026	MB	0160	1,710.00		1,710.00			811101
811008	061026	MB	9089	205.20		1,915.20			811101
811123	001504	JC	0000		100.20	1,815.00			
811202	138663	CR	0160		835.00	980.00		138663	
811202	138663	CR	9089		100.20	879.80		138663	
820216	003092	JD	0000	257.76		1,137.56			820316
820319	003705	JC	0000		257.76	879.80			
820319	003705	JD	0000	257.76		1,137.56			820419
820917	001111	JC	0000		257.76	879.80			
820917	001112	JC	0000		835.00	44.80			
821014	001567	JD	0000	693.37		738.17			821114
821020	001679	JD	0000	693.37		1,431.54			821120

ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER FOR AIMS APPLICATIONS 05-03-84

CONTROL #		NAME OF APPLICANT		APPLICATION START-END		ACCT	AR/D/U	TERM	
22-002332		PORT WASHINGTON PROPERTIES		11-01-1974 11-01-2004		1139	52 0 0	060	
DATE	DOCU #	TYPE	SUBS	DEBIT	CREDIT	BALANCE	SUSPNS	APPLIED	BILDUE
821028	154222	CR	0160		654.47	777.07		154222	
821028	154222	CR	9089		83.70	693.37		154222	
831110	003266	JD	0160	610.41		1,303.78			831210
831110	003266	JD	9089	167.41		1,471.19			831210
840127	175725	CR	0160		183.24	1,287.95		175725	

NR99 22002332

L

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Marine Land Management Division

October 18, 1983

Port Washington Properties, Inc.
20 West Galer
Seattle, WA 98119

Lease # HA 2332

The 1983 legislature enacted a bill (Engrossed Substitute Senate Bill No. 3290) extending the 6% limit on annual rental increases for aquatic leases. It also allows credit for overpayment of rent after April 3, 1982.

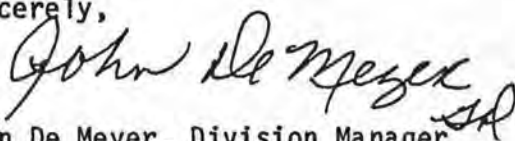
For your information, under provisions of the new law your rent since April 3, 1982, is based on the rate you were paying on January 1, 1981. For this lease, it was \$ 835.00.

Revised annual rent for 11/1/81 to 11/1/82	\$ 889.45	
Amount you paid for this period	\$ 835.00	
Due		\$ 54.45
Revised annual rent for 11/1/82 to 11/1/83	\$ 926.85	
Amount you paid for this period	\$ 654.47	
Due		\$ 272.38
Revised annual rent for 11/1/83 to 11/1/84	\$ 976.95	
Amount you paid for this period.	\$ 0	
Due		\$ 976.95
Sub total of revised rents due		\$ 1303.78
Leasehold tax @ .1284		\$ 167.41
		<u>\$ 1471.19</u>
Total billing now due		

Please return a copy of this letter with your payment of \$ 1471.19 within the next 30 days. This letter is your billing statement for the period 11/1/81 to 11/1/84.

If you have any questions, please call Robert Hoyser, Use Authorization Manager, Division of Marine Land Management at (206) 753-5324.

Sincerely,


John De Meyer, Division Manager
Marine Land Management Division

c: Financial Services
Lease Jackets

Area	52	Subsource	Trust	Amount
County	18	0160	25	1471.19
Port	06			
Acnt	1139			

280403 199

CITY OF BREMERTON

239 4TH STREET
BREMERTON, WA 98310
TELEPHONE (206) 478-5305
PARKS DEPARTMENT

DATE

RECEIVED FROM

Part Washington Properties, Inc.
Permit No 564
AMOUNT \$ 186.00

CASH		CHECK		ON ACCT.	
FUND	B S B	LL	OBJ	DESCRIPTION	AMOUNT
001	343	10	00	RECREATIONAL ACTIVITIES	
001	347	90	00	TUITIONS	
001	362	14	00	BUILDING RENTALS	
001	362	12	00	FIELD RENTALS	
001	362	13	00	CONCESSIONS	
001	362	14	00	MISC. RENTALS	
001	322	10	0004	Excavating & Grading 27000 cu yds	186.00
803	389	10	00	LEASE HOLD TAX	
	389	20	00	SALES TAX	
TOTAL RECEIVED					186.00

APPLY SALES TAX

BY

CUSTOMER COPY

90235

LEASE NO. _____

APPLICATION NO. HA-2332OLD VALUATION \$10,710⁰⁰ $2.12 \text{ Ac} @ \$5,100/\text{Ac} = \$10,812⁰⁰$ OLD RENTAL \$642.60

Rounded(?) to \$10,710 F.V.

NEW VALUATION \$21,200⁰⁰ $2.12 \text{ Ac} @ \$10,000/\text{Ac} = \$21,200$ NEW RENTAL \$1272⁰⁰ *PERCENTAGE 6%DUE DATE November 1, 1979

Rent = \$ 1272

TAX 152.64\$1,424.64

DNR-Valuation 8-2-79 J/H

SSB-2284 Restricts rental increase to 6%/yr.
see attached sheet

over 7

RES 20-2010(9-77)

Void - Valuation
appealed & we agreed out
out court on 7500/Ac
Dated 2/14/80 J. Hansen
1974
1979

Note: Value per acre determined from transaction evidence contained in existing lease agreements, MAI Reports by Eastman Richards, - Determined that this lease area has a value of not less than \$10,000⁰⁰/acre.

6% Annual Rental

Old rental was \$ 642.60 for Lease No. HA-2332

Due to SSB 2284 increase in rental is limited to 6%/yr. from last appraisal.

1974
$$\begin{array}{l} \$ \frac{642.60}{\text{old rental}} \times \frac{1.30}{\text{percent}} (5 \text{ yrs}) = \$ \frac{835.38}{\text{SSB2284 Rent}} \text{ or } \$ 2.29/\text{day} \\ \text{Round to } \$ 835^{00} \end{array}$$

Fair Market Annual Rental

1979
$$\begin{array}{l} \text{New Valuation } \$ 21,200 \quad (2.12 \text{ Ac} @ \$ 10,000/\text{Ac}) \\ \text{New Rental } \$ 1272^{00} @ 6\% \\ \quad \$ 3.48/\text{day} \end{array}$$

Consecutive Annual Rental

SSB 2284 expires July 1, 1982; the anniversary date of Harbor Area Lease No. 2332 is Nov. 1. Thus 242 days are affected by SSB 2284, and 242 days are affected by Fair Market Rental.

365
122
242
SSB2284 Rent = $\$ \frac{2.29}{365} / \text{day} \times 242 \text{ days} = \$ 554.18$

+ (plus)

Market Rent = $\$ \frac{3.48}{365} / \text{day} \times 123 \text{ days} = \$ 428.04$

total = $\$ 982.22$ (11/1/81 to 11/1/82) For Year
Rd to \$982⁰⁰

Date	Rent
11/1/79 to 11/1/80	= \$ 835 ⁰⁰
11/1/80 to 11/1/81	= \$ 835 ⁰⁰
11/1/81 to 11/1/82	= \$ 982 ⁰⁰
11/1/82 to 11/1/83	= \$ 1272 ⁰⁰
11/1/83 to 11/1/84	= \$ 1272 ⁰⁰

$$\frac{\$ 835}{.06} = \frac{\$ 13,916.67}{2.12 \text{ Ac}} = \$ 6,564/\text{Ac}$$

$$\frac{\$ 982}{.06} = \frac{\$ 16,366.67}{2.12 \text{ Ac}} = \$ 7,720.13/\text{Ac}$$

TWR/
HA -2332

DNR Valuations 8-2-79 \$/A

(work sheet for SSB-2284)

LEASE NO. HA 2332

APPLICATION NO. HA 2332

OLD VALUATION _____

OLD RENTAL _____

1974 NEW VALUATION \$10,710

\$5100/Ac.

NEW RENTAL \$642 60

2.12 acre.

PERCENTAGE 6%

DUE DATE 11-1-74

Departmental Valuation D.A. Boone. 11-26-74

U-43

HARBOR AREA REVALUATION OF LEASE NO. HA 2141
HELD BY JOHN B. VERHELST

Justification for Revalued Rent of Said Area

In checking with Kitsap County Assessor's Office to see what the comparative values for uplands were, I found five (5) different comparables adjacent to lease area on which to base my appraisal. I could not use tideland values as the inner harbor line and the meander line are coincidental.

Comparables

- (1) Lents Incorporated
1.23 acres (53,600 square feet) sold in 1972 for \$75,000* which equals \$1.40 square foot.
- (2) Verhelst
.83 acres (35,950 square feet) at \$17,500 which equals \$0.49 square foot.
- (3) Colonial Manor
3.5 acres (152,460 square feet) at \$62,000 which equals \$0.41 square foot.
- (4) Phillips 66
0.64 acres (27,873 square feet) at \$19,300 which equals \$0.69 square foot.
- (5) Arco
0.32 acres (14,000 square feet) at \$7,000 which equals \$0.50 square foot.

Total area equals 283,883 square feet.

*This is land value only.

Percentage of Area of Each Comparable

- (1) \$1.40 sq. ft. x 19% = \$0.27 sq. ft.
 - (2) \$0.49 sq. ft. x 13% = \$0.06 sq. ft.
 - (3) \$0.41 sq. ft. x 53% = \$0.22 sq. ft.
 - (4) \$0.69 sq. ft. x 10% = \$0.07 sq. ft.
 - (5) \$0.50 sq. ft. x 5% = \$0.03 sq. ft.
- TOTAL 100% \$0.65 sq. ft.

Being as the harbor area is 50% tidelands and 50% bed of navigable waters and using as a guide: 100% unit value for uplands, 40% for tidelands, and 20% for bed of navigable waters:

100% uplands	\$0.65 sq. ft.
40% tidelands	\$0.26 sq. ft.
20% B. N. W.	\$0.13 sq. ft.

\$0.26

0.13

\$0.39 divided by 2 = \$0.19½ sq. ft. for harbor area \$8,494.20
rounded \$8,500/acre full value for harbor area.

Being as this lease area has access via Renn Stroll, which is attached to Thompson Drive and located in a commercial area. The height of the bank at this point is approximately 15 to 20 feet high vertically but a dock could very easily be put in as there are docks coming off the same height bank on lease adjacent thereto. In my opinion the full value of the harbor area in this location is worth \$8,500 per acre. Being as there is a vertical bank, the value would be 90% of full value or \$7,650 per acre.

The value of this harbor area lease is set at \$3,000/acre established in 1969. The new value will be at ~~\$5500~~ 7650/acre for the next 5 years of this lease term.

7650
1.55
14352.00
0690
\$862.92

TAB:dt

9/4/74

MAKE REMITTANCES PAYABLE TO:
BILLIE EDER
KITSAP COUNTY TREASURER
P.O. BOX 199 PORT ORCHARD, WASHINGTON 98366

1978
(1977 ASSESSMENT)
PERSONAL PROPERTY TAX

FIRST HALF MUST BE PAID BY APRIL 30
OR ENTIRE TAX BECOMES DELINQUENT.
SECOND HALF DELINQUENT AFTER OCT. 31
**TAXES IN THE AMOUNT OF LESS THAN \$10.00
TO BE PAID IN FULL.**
----- PLUS INTEREST AT CURRENT RATE -----

78

RETURN THIS COPY ONLY WITH PAYMENT
KEEP DUPLICATE COPY FOR YOUR RECORDS

CODE	LEVY RATE	MARKET VALUE	GENERAL TAX	PENALTY	IN ACCORDANCE WITH CHAPTER 149 EXTRAOR- DINARY SESSION OF 1967
THE FIGURES BELOW REPRESENT THE DISPOSITION OF YOUR TAX MONIES:					
SCHOOLS STATE	COUNTY	CITY OR ROAD LIB.	SCHOOL DISTRICT	PORT DISTRICT	FIRE
SEWER	MISC.	WATER	DATE	1979 ADVANCE PERSONAL PROPERTY TAX FOR 1978 ASSESSMENT MARKET VALUE	PENALTY %
NAME AND ADDRESS			DESCRIPTION		

112401-3-090-2009
BLDG ON LEASED LAND

PERSONAL PROPERTY TAX LEVIED IN 1977 PAYABLE ON AND AFTER FEB. 15, 1978

NOTICE: Personal property taxes are a lien upon all personal property of the person assessed, and may become a lien against the real property of the same person, from date of assessment until paid and if not paid on or before date of delinquency, interest at the rate of 8 percent per annum is added and it becomes subject to distraint and foreclosure as provided by R.C.W. 84.56.070

NOTICE: SENIOR CITIZENS AND DISABLED PERSONS

If you own a residence or mobile home, are 62 years or older, or retired because of disability, and have an income of \$8000 or less (after excluding one-third social security, railroad, or Federal civil service retirement income), you may be entitled to a property tax exemption. For application forms and further information, contact the Kitsap County Assessor, County Admin. Bldg., Port Orchard. Phone 876-7160.

Interest Computed to 7/31/78

TR	ACCOUNT NUMBER	AMOUNT PAID
1		
1978 FULL TAX		
LESS EXEMPTION, IF ANY		
CHECK BOX TO INDICATE FULL OR HALF PAYMENT		FULL HALF
OMITTED OR DELINQUENT TAX NOT INCLUDED IN ABOVE TAX		
OMIT YEAR	ROLL YEAR	TAX AMOUNT
	78	243.55
	77	375.93
		INTEREST
		4.91 F
		37.65 F
CHECK <input type="checkbox"/>		619.48
MO <input type="checkbox"/>		42.56
CASH <input type="checkbox"/>		662.04

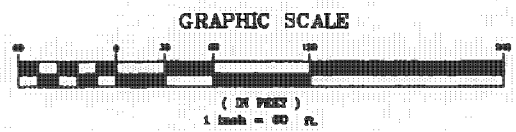
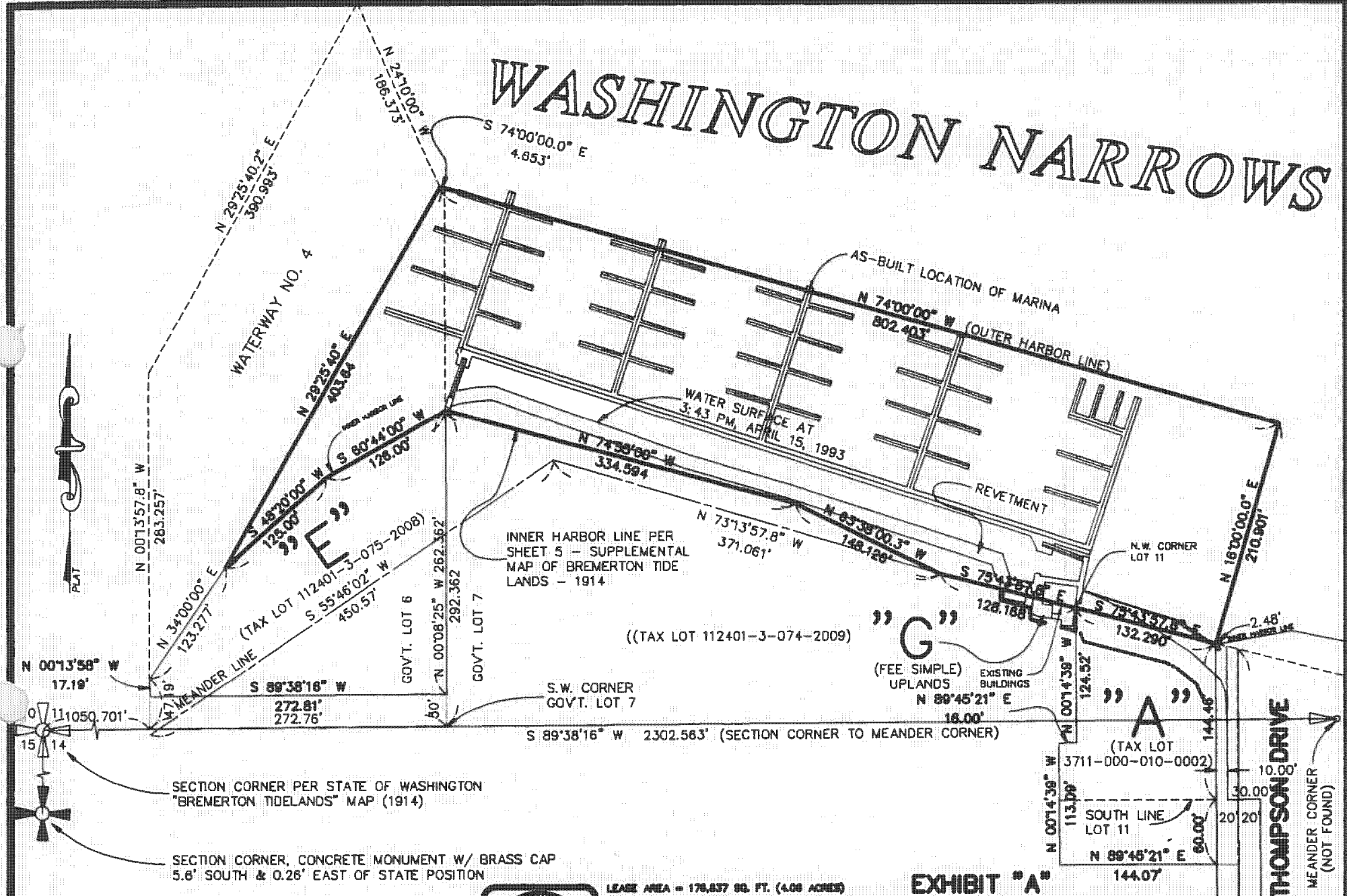
DELINQUENT

TREASURER'S COPY

→ **NOTICE:** When personal property is sold, or a change of ownership takes place, the following year's tax to be **PAID IN ADVANCE, AT THE TIME OF THE SALE** by the seller. A clear bill of sale cannot be issued until such payment is made. **CHECK WITH YOUR COUNTY TREASURER'S OFFICE BEFORE BUYING OR SELLING ANY PERSONAL PROPERTY.**

BILLIE EDER, KITSAP COUNTY TREASURER

WASHINGTON NARROWS



LEASE AREA = 178,837 SQ. FT. (4.06 ACRES)



MACLEARNSEBERRY, Inc.
Civil Engineers • Land Surveyors • Planners
120 WYATT WAY NE RAINIERIDGE ISLAND WA 98107
PHONE: (206) 842-5514

EXHIBIT "A"

DOUGLAS FAULDS & DONNA ERNST

**PORT WASHINGTON MARINA
AQUATIC LANDS LEASE EXHIBIT**

DATE	BY	DATE	BY	DATE	BY
MCM		MAY 4, 1993		03020	
MCM		1 - 05		1 of 1	

PORT WASHINGTON MARINA
AQUATIC LANDS LEASE
LEGAL DESCRIPTIONS

THAT PORTION OF THE HARBOR AREA SITUATE IN FRONT OF GOVERNMENT LOTS 6 AND 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; INCLUDED IN A TRACT DESCRIBED AS FOLLOWS:

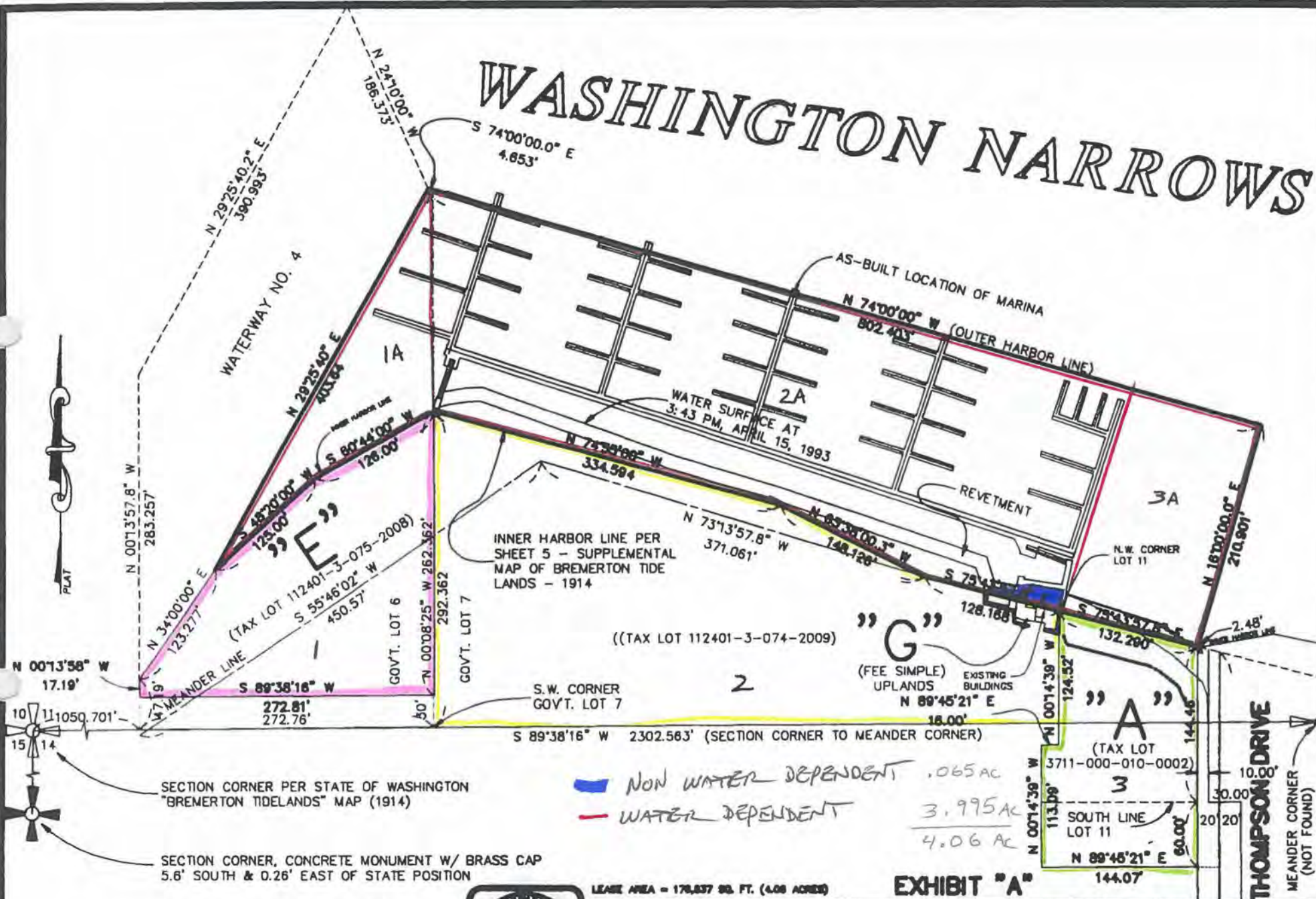
BEGINNING AT A POINT ON THE INNER HARBOR LINE, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, A RECORDED PLAT IN SAID GOVERNMENT LOT 7 AND RUNNING THENCE ALONG SAID INNER HARBOR LINE, N 75°43'57.8" W, A DISTANCE OF 128.168 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE N 63°38'00" W, A DISTANCE OF 148.126 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE N 74°55'00" W, A DISTANCE OF 334.594 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE S 60°44'00" W, A DISTANCE OF 126.00 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE, S 48°20'00" W, A DISTANCE OF 125.00 FEET; THENCE N 29°25'40" E A DISTANCE OF 403.64 FEET TO A POINT ON THE OUTER HARBOR LINE; THENCE S 74°00'00" E ALONG SAID OUTER HARBOR LINE A DISTANCE OF 802.403 FEET; THENCE S 16°00'00" W, A DISTANCE OF 210.901 FEET ACROSS THE HARBOR AREA TO THE INNER HARBOR LINE; THENCE N 75°43'57.8" W, A DISTANCE OF 132.290 FEET TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAPS OF BREMERTON TIDE LANDS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON.

CONTAINING 4.06 ACRES, MORE OR LESS.

Prepared by Mathew C. MacLearnsberry
May 10, 1993



WASHINGTON NARROWS



LEASE AREA = 176,837 SQ. FT. (4.06 ACRES)



MACLEARNSEBERRY, Inc.
Civil Engineers • Land Surveyors • Planners
150 WYATT WAY NE BAINBRIDGE ISLAND, WA 98008
PHONE: (360) 842-5914

DOUGLAS FAULDS & DONNA ERNST
PORT WASHINGTON MARINA
AQUATIC LANDS LEASE EXHIBIT

DATE	MON	MAY 4, 1993	03200
SCALE	MON	1" = 80'	1 of 1

PORT WASHINGTON MARINA
AQUATIC LANDS LEASE
LEGAL DESCRIPTIONS

PARCEL B:

THAT PORTION OF THE HARBOR AREA SITUATE IN FRONT OF GOVERNMENT LOT 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; INCLUDED IN A TRACT DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE INNER HARBOR LINE, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, A RECORDED PLAT IN SAID GOVERNMENT LOT 7 AND RUNNING THENCE ALONG SAID INNER HARBOR LINE, N 75°43'57.8" W, A DISTANCE OF 112.00 FEET; THENCE N 63° 38'00" W, A DISTANCE OF 148.126 FEET; THENCE N 74°55'00" W, A DISTANCE OF 192.366 FEET; THENCE N 16°00'00" E ACROSS THE HARBOR AREA 194.71 FEET TO A POINT ON THE OUTER HARBOR LINE; THENCE S 74°00'00" E ALONG SAID OUTER HARBOR LINE A DISTANCE OF 450.00 FEET TO A POINT WHICH BEARS N 16°00'00" E FROM THE POINT OF BEGINNING AND THEN S 16°00'00" W, A DISTANCE OF 214.902 FEET ACROSS THE HARBOR AREA TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAPS OF BREMERTON TIDE LANDS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON. (ALSO KNOWN AS LEASEHOLD NO. 2332)

PARCEL C:

THAT PORTION OF THE HARBOR AREA LYING IN FRONT OF LOT 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF LOT 15, BAY VIEW GARDEN TRACTS, (LOT 11 OF SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS) WITH THE INNER HARBOR LINE AND RUNNING THENCE N 16°00'00" E, A DISTANCE OF 214.902 FEET, MORE OR LESS, TO THE OUTER HARBOR LINE; THENCE N 74°00'00" W ALONG SAID OUTER HARBOR LINE 450.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE S 16°00'00" W, A DISTANCE OF 194.944 FEET, MORE OR LESS, TO THE INNER HARBOR LINE; THENCE WESTERLY ALONG SAID INNER HARBOR LINE TO THE WEST LINE OF SAID LOT 7; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 7, PRODUCED, TO THE OUTER HARBOR LINE; THENCE S 74°00'00" E ALONG SAID OUTER HARBOR LINE, A DISTANCE OF 215.52 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING, AS SHOWN ON THE OFFICIAL MAPS OF BREMERTON TIDE LANDS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON.

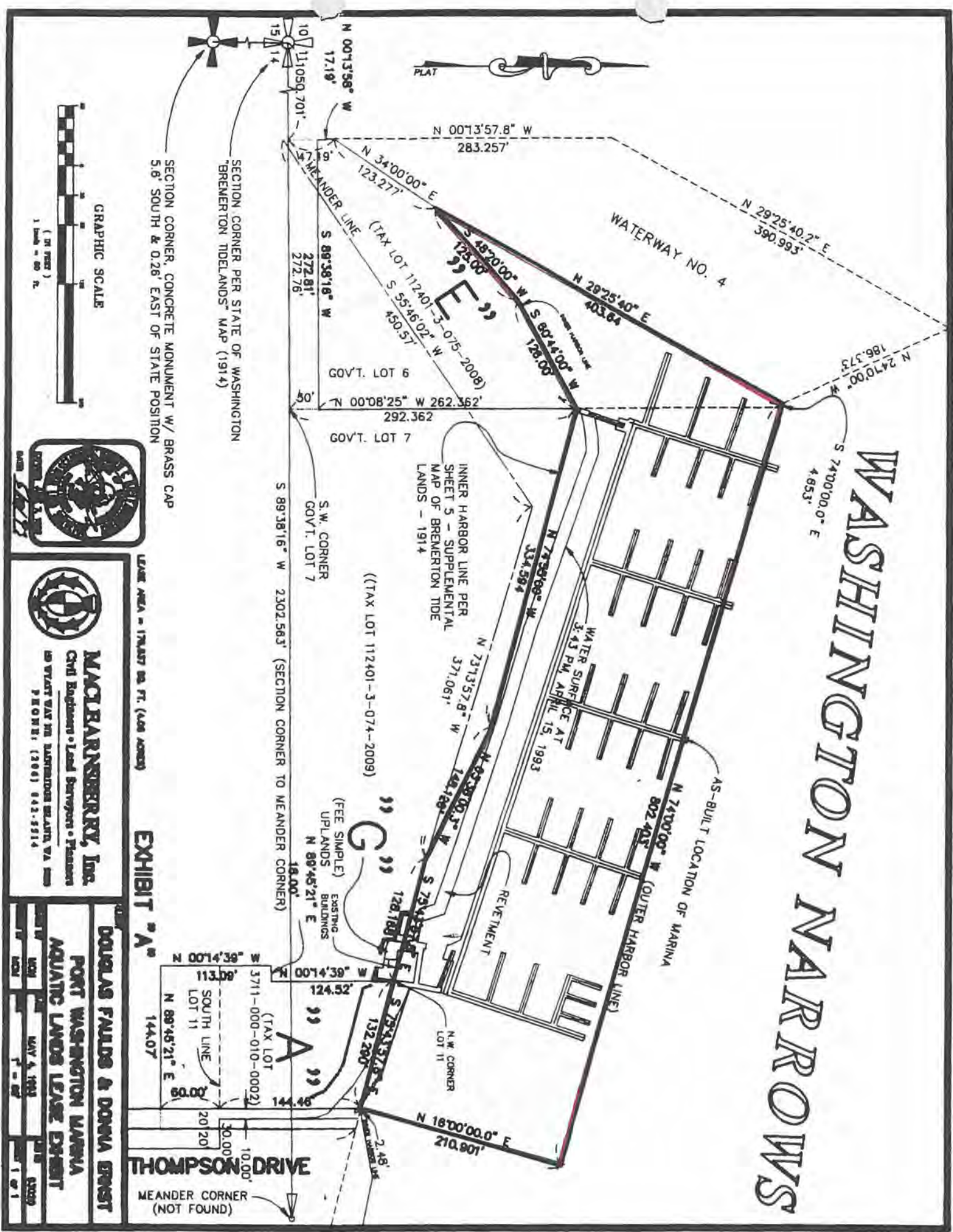
(ALSO KNOWN AS LEASEHOLD NO. 2396)

PARCEL D:

THAT PORTION OF THE HARBOR AREA LYING IN FRONT OF LOT 6, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON, BETWEEN THE EASTERLY LINE OF WATERWAY NUMBER 4 AND EAST LINE OF LOT 6 OF SAID SECTION 11, PRODUCED NORTHERLY ACROSS THE HARBOR AREA TO THE OUTER HARBOR LINE.
(ALSO KNOWN AS LEASEHOLD NO. A-2399)

PARCEL F:

THAT PORTION OF THE HARBOR AREA SITUATE IN FRONT OF GOVERNMENT LOT 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; INCLUDED IN A TRACT DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE INNER HARBOR LINE, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, A RECORDED PLAT IN SAID GOVERNMENT LOT 7 AND RUNNING THENCE ALONG SAID INNER HARBOR LINE, S 75°43'57.8" E, A DISTANCE OF 132.29 FEET; THENCE N 16° 00'00" W ACROSS THE HARBOR AREA, A DISTANCE OF 210.90 FEET TO THE OUTER HARBOR LINE; THENCE N 74°00'00" W ALONG SAID OUTER HARBOR LINE, A DISTANCE OF 132.23 FEET; THENCE S 16°00'00" W ACROSS THE HARBOR AREA, A DISTANCE OF 214.90 FEET TO THE POINT OF BEGINNING.



THAT PORTION OF THE HARBOR AREA SITUATE IN FRONT OF GOVERNMENT LOTS 6 AND 7, SECTION 11, TOWNSHIP 24 NORTH, RANGE 1 EAST, W.M., IN KITSAP COUNTY, WASHINGTON; INCLUDED IN A TRACT DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE INNER HARBOR LINE, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 11, SUPPLEMENTAL PLAT OF BAY VIEW GARDEN TRACTS, A RECORDED PLAT IN SAID GOVERNMENT LOT 7 AND RUNNING THENCE ALONG SAID INNER HARBOR LINE, N 75°43'57.8" W, A DISTANCE OF 128.168 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE N 53°38'00" W, A DISTANCE OF 148.126 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE N 74°55'00" W, A DISTANCE OF 334.594 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE S 60°44'00" W, A DISTANCE OF 126.00 FEET; THENCE CONTINUING ALONG SAID INNER HARBOR LINE, S 48°20'00" W, A DISTANCE OF 125.00 FEET; THENCE N 29°25'40" E A DISTANCE OF 403.64 FEET TO A POINT ON THE OUTER HARBOR LINE; THENCE S 74°00'00" E ALONG SAID OUTER HARBOR LINE A DISTANCE OF 802.403 FEET; THENCE S 16°00'00" W, A DISTANCE OF 210.901 FEET ACROSS THE HARBOR AREA TO THE INNER HARBOR LINE; THENCE N 75°43'57.8" W, A DISTANCE OF 132.290 FEET TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAPS OF BREMERTON TIDE LANDS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON.

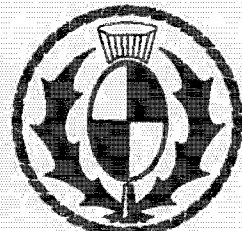
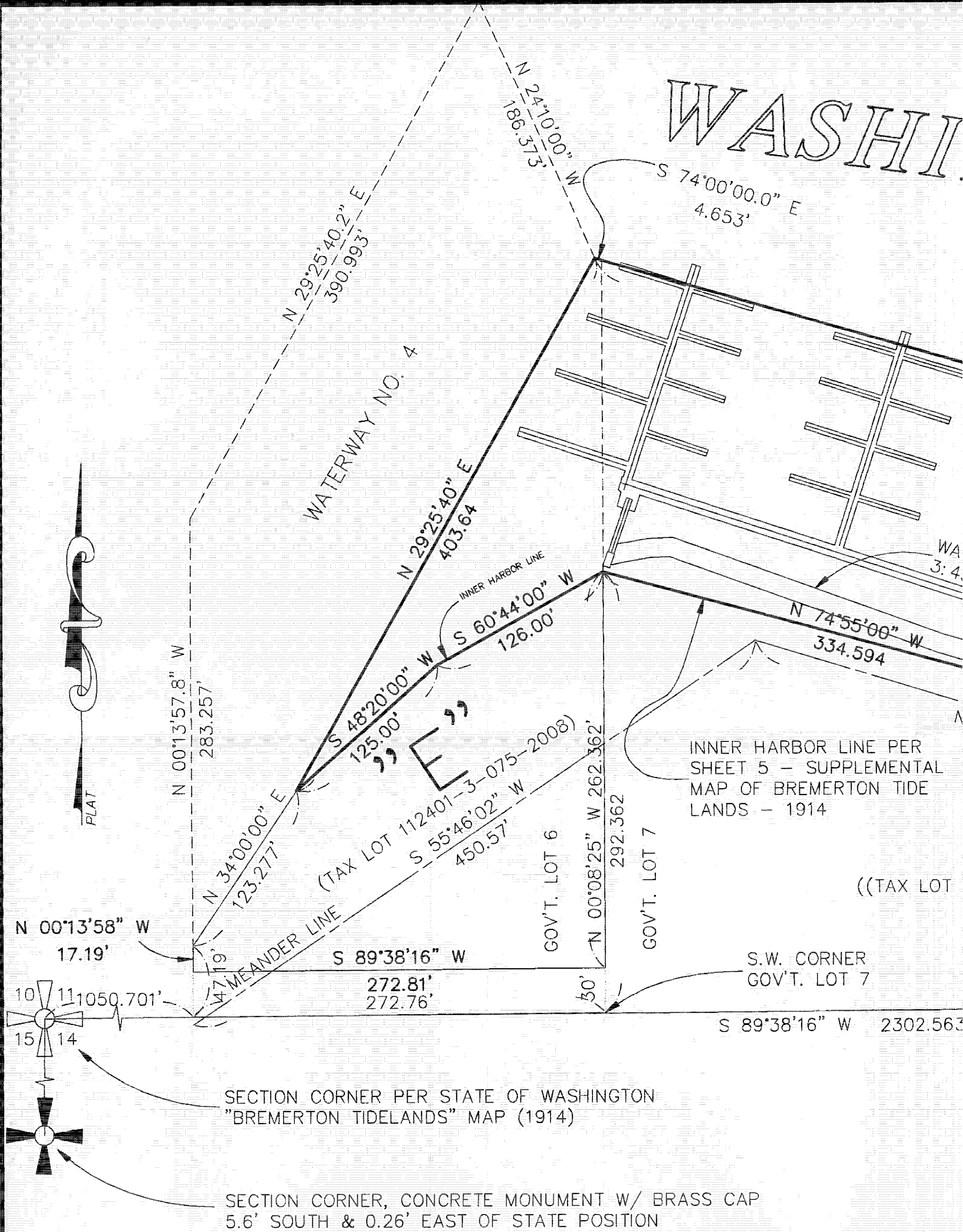
CONTAINING 4.06 ACRES, MORE OR LESS.

Prepared by Mathew C. MacLeansberry
May 10, 1993

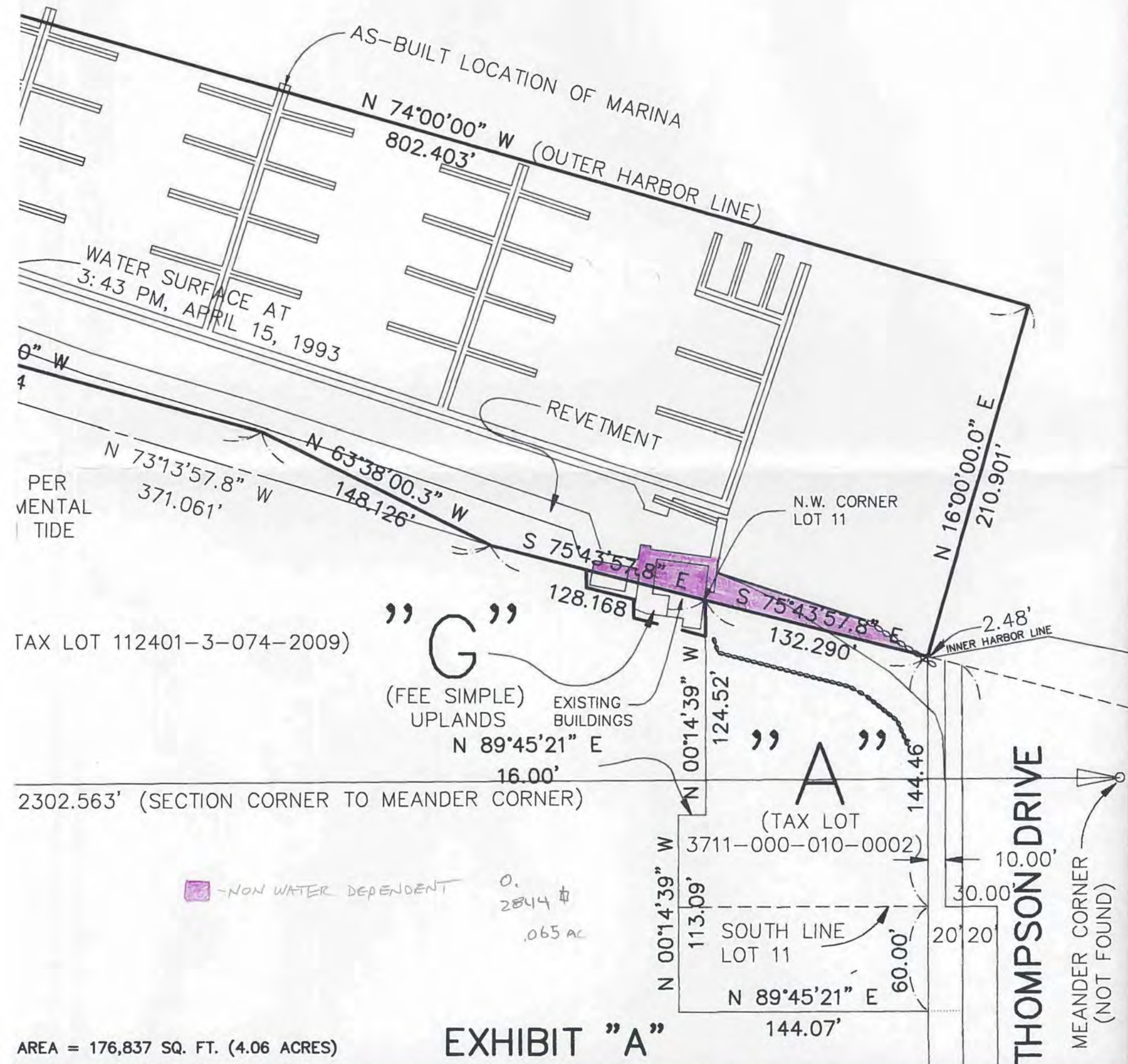
EXHIBIT A

DNR-00018774

WASHI.



PORT WASHINGTON NARROWS



AREA = 176,837 SQ. FT. (4.06 ACRES)

EXHIBIT "A"



MACLEARNSBERRY, Inc.
Civil Engineers • Land Surveyors • Planners
159 WYATT WAY NE BAINBRIDGE ISLAND, WA 98110
PHONE: (206) 842-5514

CLIENT

DOUGLAS FAULDS & DONNA ERNST

**PORT WASHINGTON MARINA
AQUATIC LANDS LEASE EXHIBIT**

DRAWN BY	MCM	DATE	MAY 4, 1993	JOB NO	93020
CHECKED BY	MCM	SCALE	1" = 60'	SHEET	1 OF 1

DNR-00018776



8054

HA 2332

1993
365,000
3.5 AC
104,285.71 AC

112401-3-074-2009
COLONIAL MANOR

HA 2523

1A-24-1E

027

SW CORNER
GOVT LOT 7

1993
10,000
-65
15384.62 AC

3711-000-010-000-220

(b) (6)

AVE.

DRIVE

AVE.

3741

(019)

(018)

(041)

(047)

(048)

(049)

(010)

(011)

(043)

(042)

(041)

(040)

(038)

(011)

(007-00)

3710

(006-00)

(024)

(013-00)

(01-00)

(01-00)

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(075)

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(010-00)

(01-00)

021.00

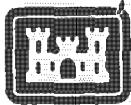
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US Army Corps
of Engineers
Seattle District

Regulatory Branch
Post Office Box C-3755
Seattle, Washington 98124-2255
Telephone (206) 764-3495
ATTN: John Kennedy, Project Manager

Public Notice of Application for Permit

Public Notice Date: 12 July 1988
Expiration Date: 1 August 1988
Reference: OYB-2-012234
Name: Port Washington Marina
Owners Association

ALL TIDELANDS (IF ANY EXIST) ARE STA

ALL HARBOR AREA
CURRENTLY UNDER L

NO 10/10/88
copy to 002332
22-002396
Bok H

Interested parties are hereby notified that application has been received for Department of the Army permit in accordance with Section 10 of the Rivers and Harbors Act of March 3, 1899, and Section 404 of the Clean Water Act for certain work described below and shown on the enclosed prints.

-20 DAY PUBLIC NOTICE-

APPLICANT - Port Washington Marina Owners Association
Post Office Box 78594
Seattle, Washington 98178-0594
ATTN: Mr. Karl Ganglitz
telephone (206) 867-4810

AGENT - Shannon and Wilson
1105 North 38th Street
Seattle, Washington 98103
ATTN: Mr. Paul Grant
telephone (206) 632-8020

LOCATION - In Port Washington Narrows at Bremerton, Washington.

WORK - Excavate 3,500 cubic yards of existing beach materials, disposing of them at an upland site. Replace excavated material with a 2,300 cubic yard gravel filter and 2,200 cubic yards of riprap. Additional gravel material will be placed landward of the line of mean higher high water. Work will occur along a 650-foot frontage.

PURPOSE (PER APPLICANT) - Stabilize the beach and previously dredged slope at the Port Washington Marina, reduce the risk of undermining adjacent upland property, and protect a pressurized sewer line buried in the beach for the entire length of the project.

Similar, but less comprehensive beach protection was authorized by a revision to Department of the Army Permit OYB-2-007820. The work was never completed, and that permit expired on August 24, 1985.

- Final 200
PERMIT -
OYB-2-012234
OYB-2-007820
* OYB-2-009617 THE MARINA PERMIT
REQUESTED FROM
REGULATORY
04-21-93
BAP

ENDANGERED SPECIES - Preliminary determinations indicate that the activity will not affect endangered species, or their critical habitat, designated as endangered or threatened (Endangered Species Act of 1973). Formal consultation under Section 7 of the Act is not required.

CULTURAL RESOURCES - Presently unknown archeological, scientific, prehistorical or historical data may be lost or destroyed by work to be accomplished under the requested permit. The work is not located on a property registered in the National Register of Historic Places. This public notice has been provided to the appropriate State Historic Preservation Officer.

PUBLIC HEARING - Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing.

EVALUATION - The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impacts of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

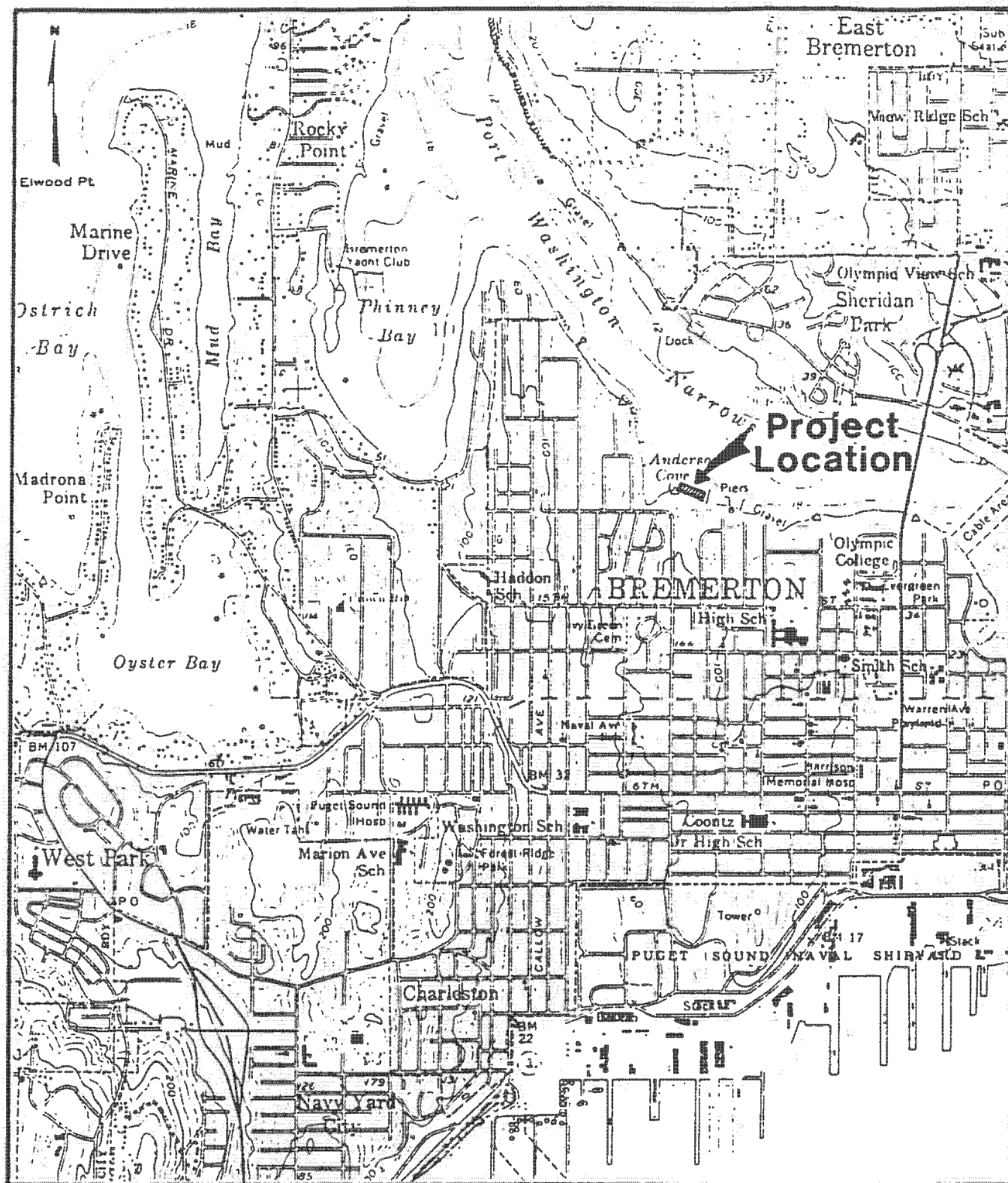
ADDITIONAL EVALUATION - The State of Washington is reviewing this work for consistency with the approved Washington Coastal Zone Management Program.

The evaluation of the impact of the activity on the public interest will include application of the guidelines promulgated by the Administrator, EPA, under authority of Section 404(b) of the Clean Water Act.

COMMENT AND REVIEW PERIOD - Comments on these factors will be accepted and made part of the record and will be considered in determining whether it would be in the best public interest to grant a permit. Comments should reach this office, Attn: Regulatory Branch, not later than the expiration date of this public notice to ensure consideration and refer to the following name and file number:

Port Washington Marina Owners Association
OYB-2-012234

Encl
Prints (5)



(From USGS Topographic Quadrangle "Bremerton, West.")

PLEASE BALANCE PROTECTION

VICINITY MAP

0 2000 4000

04B-2-012234

PROPOSED EXCAVATE, PLACE
FILL

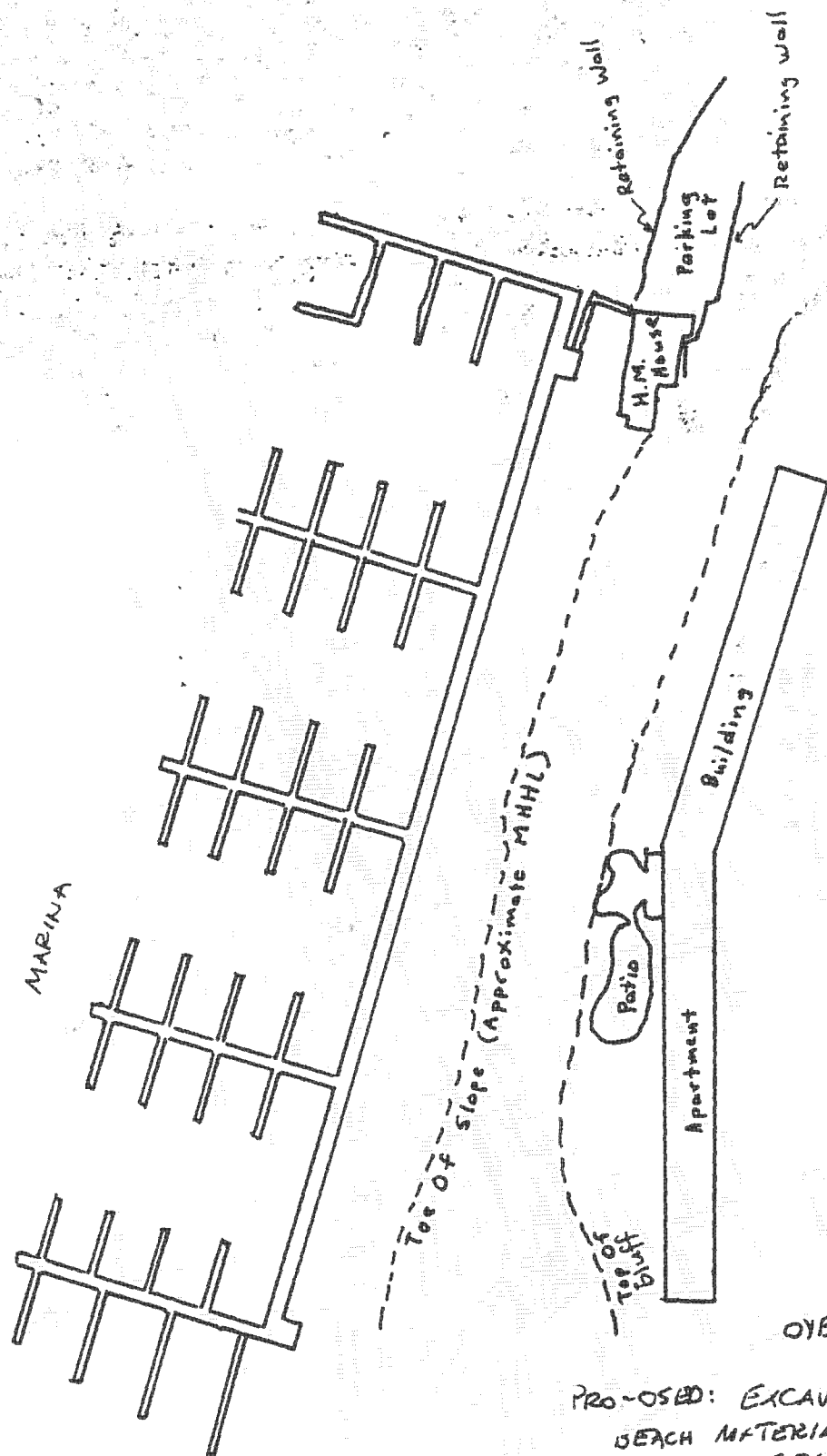
IN PORT WASHINGTON MARINA
AT BREMERTON, WA

7.1.88

SHEET 1 OF 5

DNR-00018781

PURPOSE: BANK STABILIZATION
DATUM MLLW = 0.0 (N.O.S.)



Existing Site Features

OYB-2-012234

PROPOSED: EXCAVATE 3500 CY
BEACH MATERIAL. PLACE
2300 CY GRAVEL FILTER &
2200 CY RIP RAP

IN PORT WASHINGTON NARROWS
AT BREMERTON, WA

COUNTY OF KITSAP STATE WA

APPLICATION BY PORT WASHINGTON
MARINA OWNERS ASSN

SHEET 2 OF 5 DATE 7.1.88

DNR-0001878

PROPOSED: EXCAVATE 3500 CY
BEACH MATERIAL. PLACE
2300 CY GRAVEL FILTER &
2200 CY RIP RAP

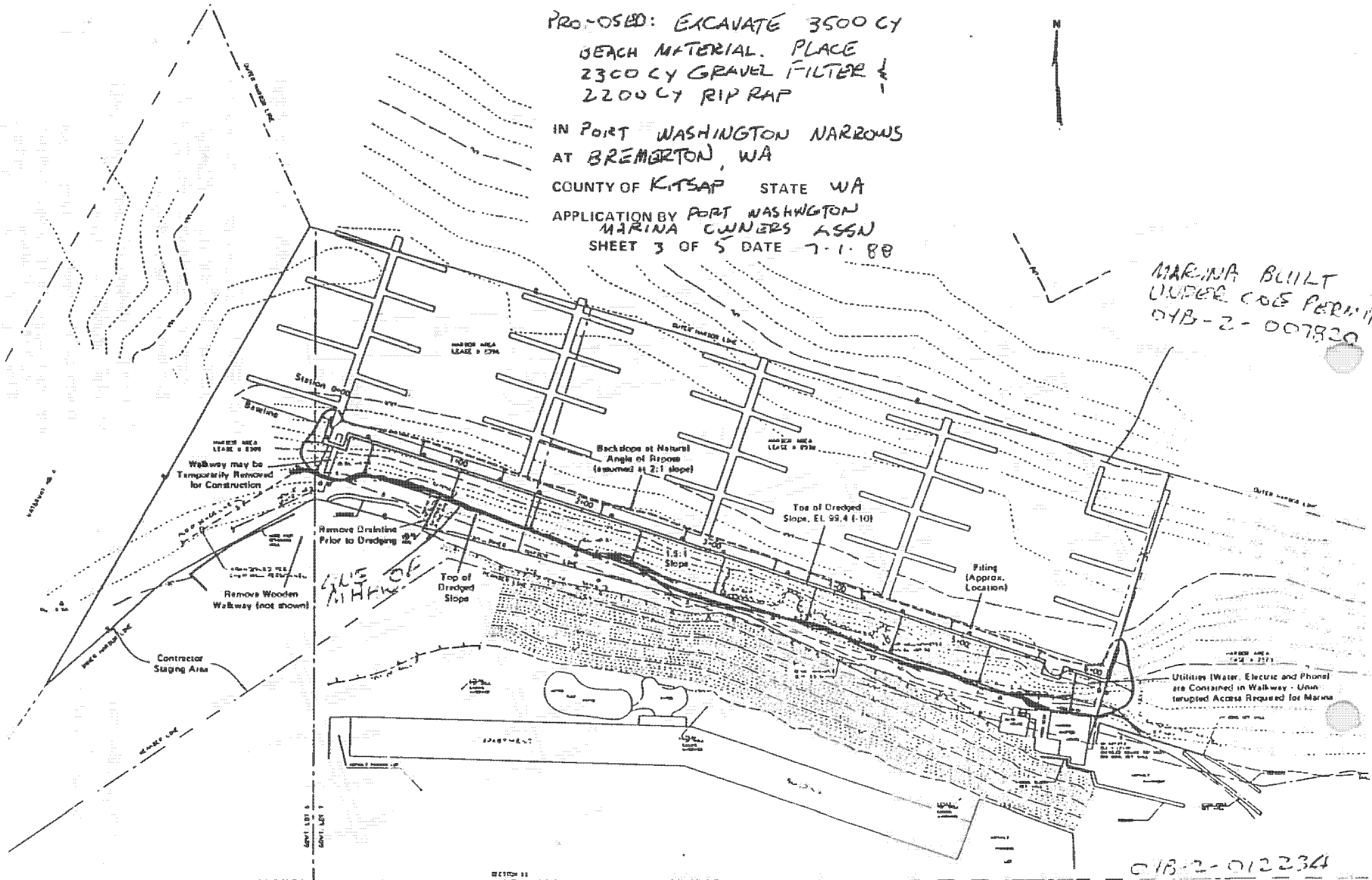
IN PORT WASHINGTON NARROWS
AT BREMERTON, WA

COUNTY OF KITSAP STATE WA

APPLICATION BY PORT WASHINGTON
MARINA OWNERS ASSN

SHEET 3 OF 5 DATE 7-1-88

MARINA BUILT
UNDER COE PERMIT
04B-2-007830



PURPOSE: BANK STABILIZATION
DATUM M.L.W. = 0.0 (N.O.S.)

DREDGING PLAN

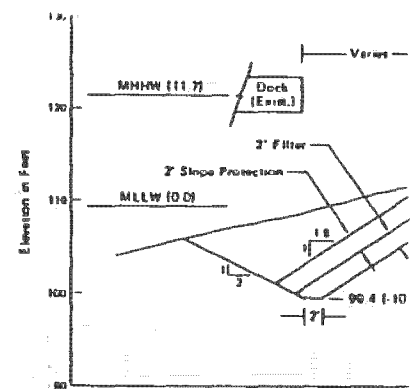
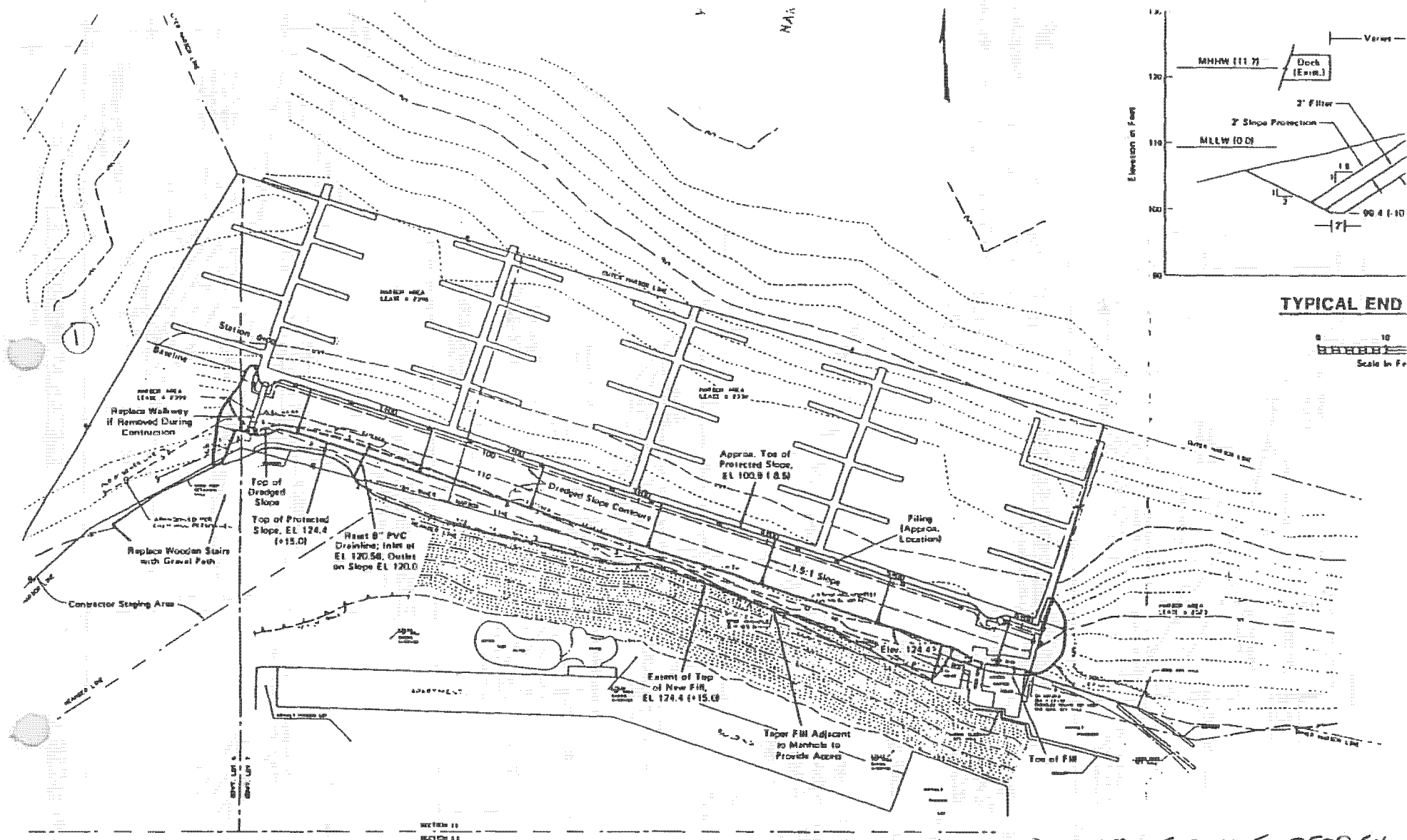


Port Washington Marina
Bremerton, Washington

EXCAVATION PLAN
W-4813-01

SHANNON & WILSON, INC.
Geotechnical Consultants

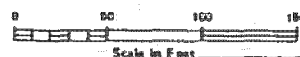
DNR-00018783



TYPICAL END

0 10
Scale in Feet

FILL PLAN



PURPOSE: BANK STABILIZATION
DATUM MLLW = 0.0 (N.O.S.)

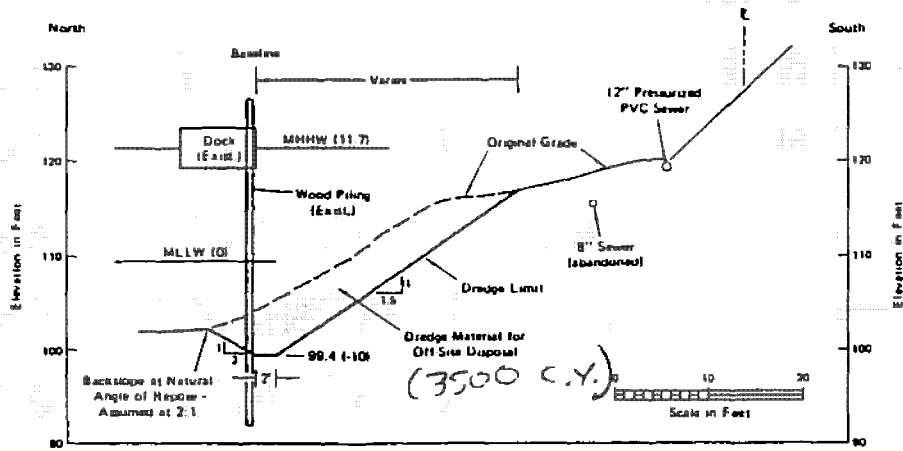
(b) (6)

WA. ST. DEPT OF NATURAL RESOURCES
CITY OF BREMERTON

PROPOSED: EXCAVATE 3500 CY
BEACH MATERIAL. PLACE
2300 CY GRAVEL FILTER
2200 CY RIP RAP

IN PORT WASHINGTON NARROWS
AT BREMERTON, WA

COUNTY OF KITSAP STATE WA
APPLICATION BY PORT WASHINGTON
MARINA OWNERS ASSN
SHEET 4 OF 5 DATE 7.1.82



TYPICAL DREDGING SECTION

STATION 0+00 TO 6+20

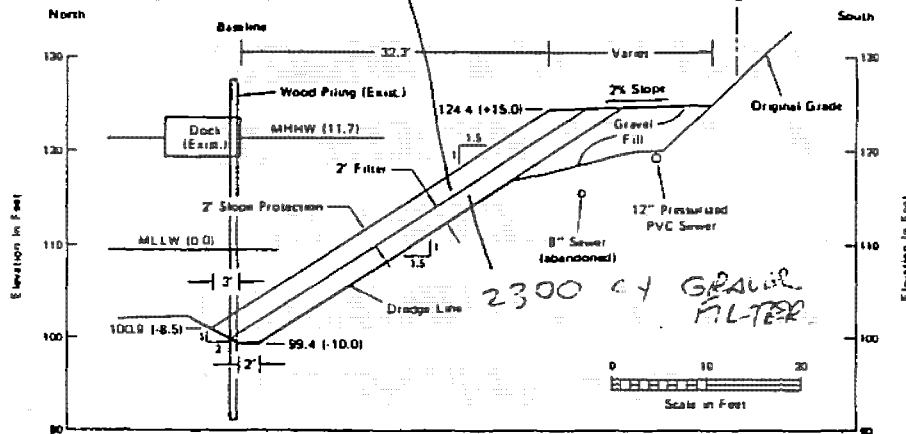
PROPOSED: EXCAVATE 3500 CY
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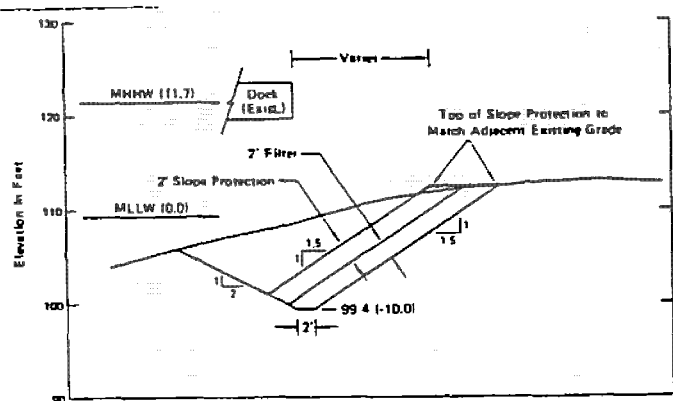
APPLICATION BY PORT WASHINGTON
MARINA OWNERS ASSN
SHEET 5 OF 5 DATE 7-1-88

NOTE: EXCAVATION TO BE
ACCOMPLISHED BY BACKHOE
AND OTHER EARTH MOVING
EQUIPMENT

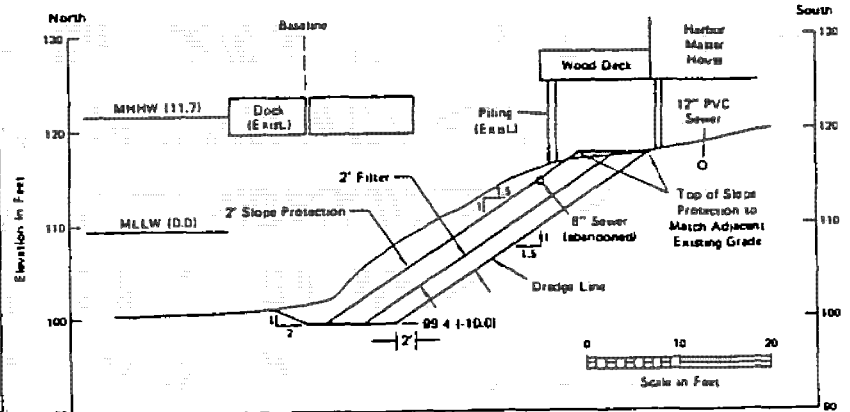


TYPICAL SECTION

STATION 0+00 TO 6+20



TYPICAL END SECTION



SECTION AT HARBOR MASTER HOUSE

STATION 4+00



Phone 876-3443

217 Sidney Avenue
Port Orchard, Washington
98366

March 12, 1984

Description of Overlap
For
Port Washington Marina Condominium

That portion of Government Lots 6 and 7 of Section 11, T.24N., R.1E., W.M., being contiguous with and lying on the northerly side of the Outer Harbor Line as shown on Sheet 5 of the Supplemental Map of Bremerton Tidelands, on file in the office of the Department of Natural Resources at Olympia, Washington, and being more particularly described as follows:

Beginning at the intersection of the east line of Waterway No. 4 with the Outer Harbor Line as shown on said Supplemental Map of Bremerton Tidelands and also shown on Sheets No. 2 and 3 of Port Washington Condominium Survey recorded under auditor's file number 8312290199 and filed in Volume 3, Pages 128 and 129 of Condominiums; thence S.74°00'00"E. along said Outer Harbor Line 412.90 feet; thence leaving said Outer Harbor Line and run N.71°35'28"W. 409.16 feet to a point which bears N.29°25'40.2"E. from the point of beginning; thence S.29°25'40.2"W. 17.68 feet to the true point of beginning.

Contains 3550 square feet, more or less.

WATERWAY NO. 4
N29°25'40.2"E 403.640'

N17430.389
E10293.787

GOV'T. LOT 6
N.0°08'25"W.
262.361
GOV'T. LOT 7

N60°44'00"W

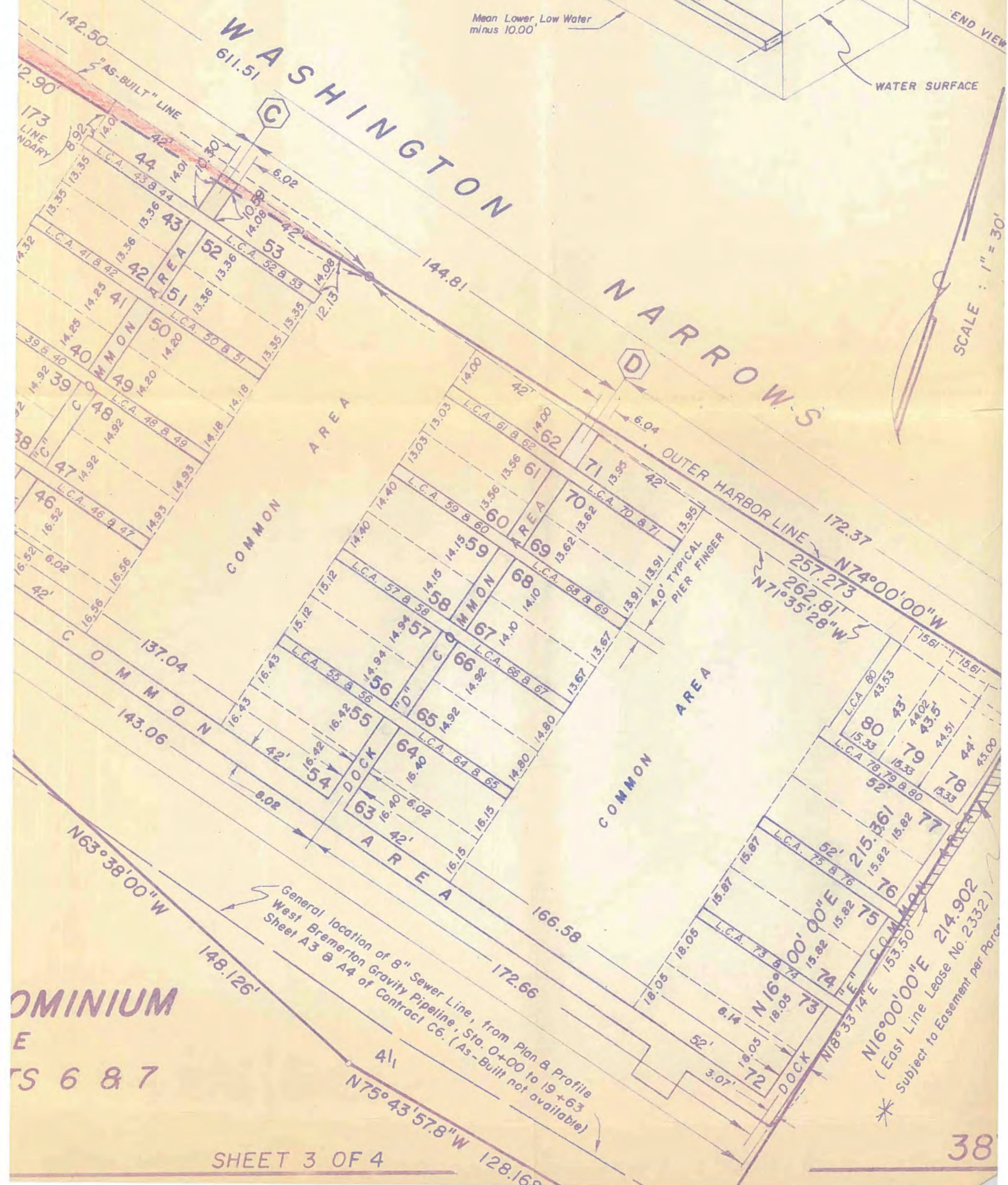
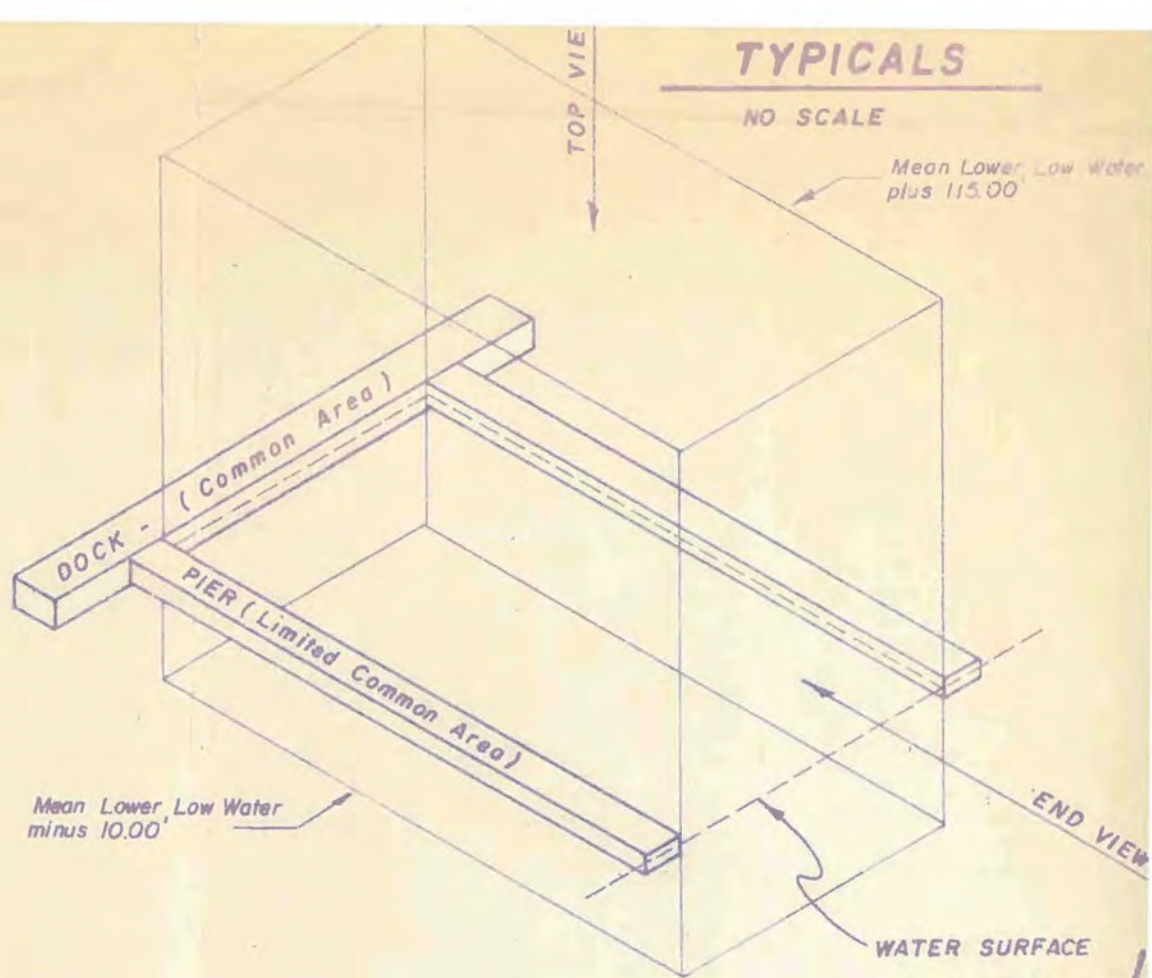
205.581
N.0°08'25"W.
58.86

L.C.A - Denotes Limited Common Area

PORT WASHINGTON MARINA
AS BUILT FACILITY - DOCKS A, B
IN FRONT OF A PORTION OF GOV
SEC II - T24N - R1E W 1

WARD C. MULLER - LAND SURVEYOR

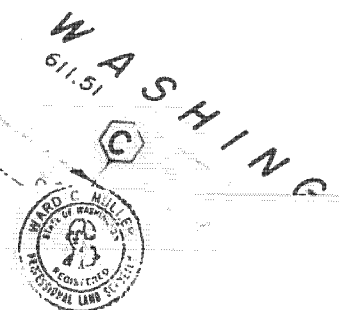
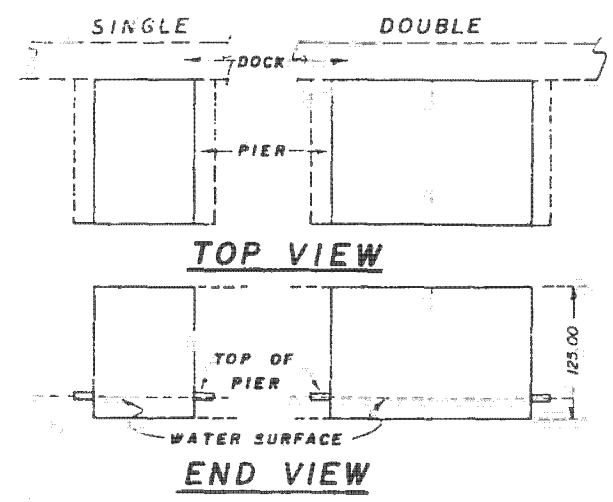
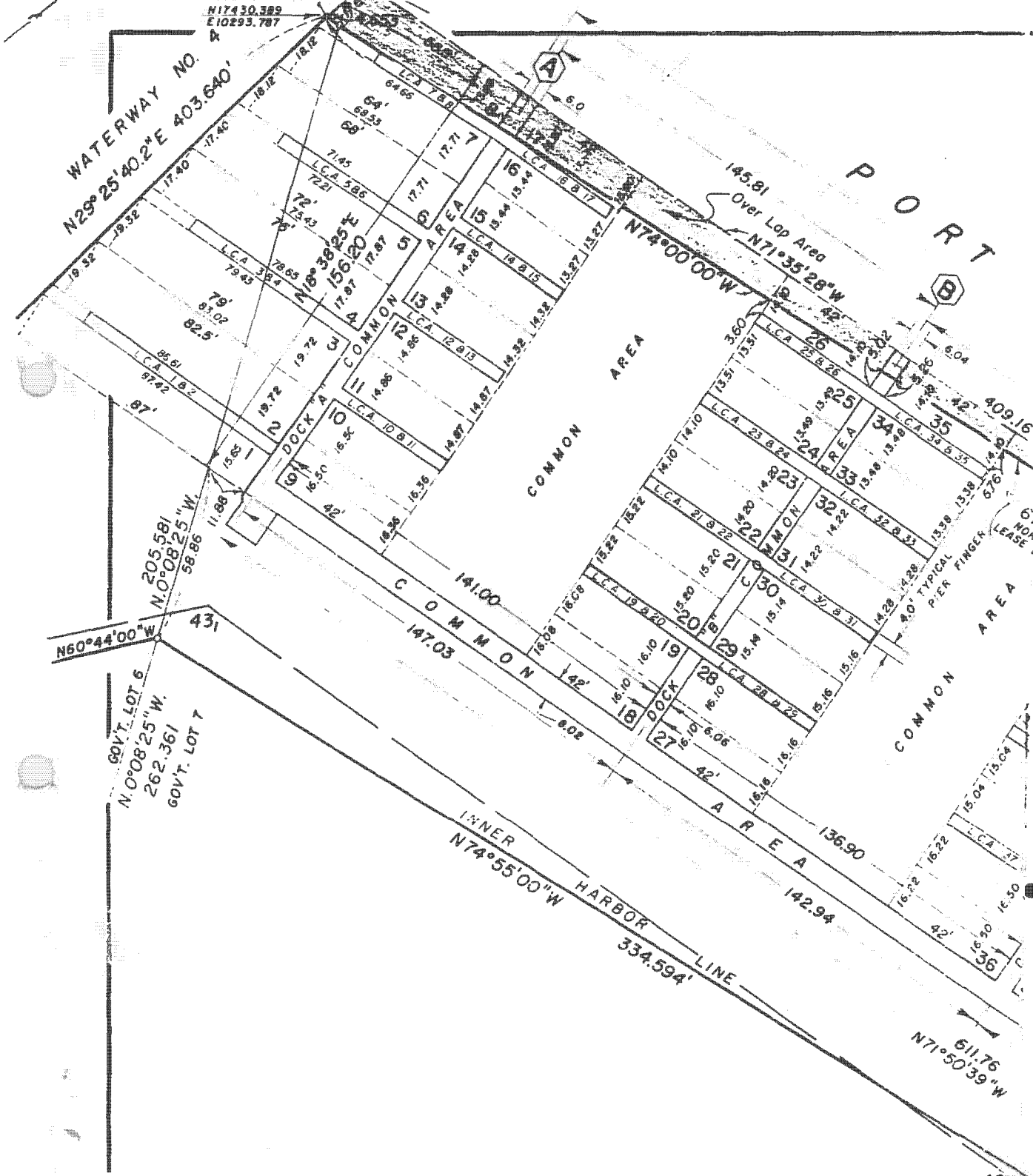
DNR-00018787



N17430.389
E10293.787

WATERWAY NO.
N29°25'40.2"E 403.640'

N60°44'00"W
GOVT. LOT 6
N0°08'25"W
262.361
GOVT. LOT 7



Phone 876-3443
217 Sidney Avenue
Port Orchard, Washington
98366
March 12, 1984

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For
Port Washington Marina Condominium**

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Contains 3550 square feet, more or less.

JOHN SPELLMAN
Governor



DONALD W. MOOS
Director

STATE OF WASHINGTON

DEPARTMENT OF ECOLOGY

Mail Stop PV-11 • Olympia, Washington 98504 • (206) 753-2800

8 JULY 1983

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Notice of Application for
Water Quality Certification
and for
Certification of Consistency with the
Washington Coastal Zone Management Program

Notice is hereby given that a request is being filed with the Department of Ecology for certification that a proposed discharge resulting from the project described in the Corps of Engineers Public Notice No. 071-DYB-2-007820 R will comply with the applicable provisions of State and Federal Water Pollution Laws.

Notice is also given that a request is being filed with the Department of Ecology for concurrence that the above referenced project will comply with the Washington State Coastal Zone Management Program and that the project will be conducted in a manner consistent with that Program.

Any person desiring to present views pertaining to the project on either or both (1) water pollution or (2) the project's compliance or consistency with the Washington State Coastal Zone Management Program may do so by providing written comments to the Department of Ecology, Inter-Agency Operations Section, Mail Stop PV-11, Olympia, Washington 98504.

Please note, state regulation requires a minimum of 20 days of public notice. The comment period will begin 8 July 1983 (date of publication) and run until final comments are received from reviewing state agencies and the local government(s).



US Army Corps
of Engineers

Seattle District
Regulatory Functions Branch
P. O. Box C-3755
Seattle, Washington 98124
(206) 764-3495

Public Notice of Application for Permit

Public Notice Date: 8 July 1983
Expiration Date: 25 July 1983
Reference: 071-OYB-2-007820
Name: Port Washington, Inc.

Harbor Area Leases
2396, 2332

REVISED

Interested parties are hereby notified that a revised application has been received for Department of the Army permit in accordance with Section 10 of the River and Harbor Act of March 3, 1899, and Section 404 of the Clean Water Act for certain work described below and shown on the inclosed prints. The revision consists of placing approximately 1,500 cubic yards of riprap in order to stabilize the dredged slopes.

APPLICANT - Port Washington, Inc.
20 West Galer
Seattle, Washington 98119
ATTN: Mark L. Clevon
telephone: (206) 282-2400

LOCATION - In Port Washington Narrows, Puget Sound at Bremerton, Washington.

WORK - Place approximately 1,500 cubic yards of riprap.

PURPOSE (PER APPLICANT) - Protect dredged slopes.

ENDANGERED SPECIES - Preliminary determinations indicate that the activity will not affect endangered species, or their critical habitat, designated as endangered or threatened (Endangered Species Act of 1973). Formal consultation under Section 7 of the Act is not required.

CULTURAL RESOURCES - Presently unknown archeological, scientific, prehistorical or historical data may be lost or destroyed by work to be accomplished under the requested permit. The work is not located on a property registered in the National Register of Historic Places.

PUBLIC HEARING - Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing.

ADDITIONAL INFORMATION - The State of Washington is reviewing this work for consistency with the approved Washington Coastal Zone Management Program.

The evaluation of the impact of the activity on the public interest will include application of the guidelines promulgated by the Administrator, EPA, under authority of Section 404(b) of the Clean Water Act.

EVALUATION - The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impacts of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, flood plain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food production and, in general, the needs and welfare of the people.

COMMENT AND REVIEW PERIOD - Comments on these factors will be accepted and made part of the record and will be considered in determining whether it would be in the best public interest to grant a permit. Comments should refer to the reference number shown above and reach this office, Attn: Regulatory Functions Branch, not later than the expiration date of this public notice to insure consideration.

1 Incl
Print (4)

BUILDING PERMIT

CITY OF BREMERTON, WASHINGTON
DEPARTMENT OF PUBLIC WORKS

Nº 564

PERMIT

Date 26 May 1983

PLAN CHECK FEE

PERMIT FEE 412.00

INSURANCE

Certificate of Insurance on file: ☐
Certificate Not Required: ☐

APPLICANT: _____

For: _____

Address: _____ Phone No. 240

Address of Work: _____, the same being: Lots _____, Block _____

_____ Add'n., or if Metes & Bounds _____ being the
location at which the following is to be accomplished.

A PERMIT IS HEREBY ISSUED for the performance of the following:

- | | |
|--|---|
| <input type="checkbox"/> SIDEWALK CONSTRUCTION | <input type="checkbox"/> STORM SEWERS |
| <input type="checkbox"/> CURB & GUTTER CONST. | <input type="checkbox"/> SANITARY SEWER |
| <input type="checkbox"/> STORM DETENTION | <input type="checkbox"/> DRIVEWAY |
| <input type="checkbox"/> EXCAVATION AND GRADING | <input type="checkbox"/> USE OR OCCUPY A PUBLIC PLACE |
| <input type="checkbox"/> STREET REPAIR DEPOSIT _____ | (Deposit Amount) |
| <input type="checkbox"/> OTHER _____ | |

Will work require blockage of any street or alley or cut off access for any property from emergency vehicles?

☐ Yes ☐ NO

This permit is valid for 90 calendar days commencing with the date of this permit unless specifically called out under limitations below. This permit must be posted on the job site in a location accessible to City Employees.

The Engineering Department must have 24 hours notice of the need for required inspection. An inspection must be made prior to any work commencing and after completion of the job. Phone 478-5270.

Limitations: _____



WORK SCHEDULE

Work to Commence: _____ (Date) _____ (Time) Work to be Completed: _____ (Date) _____ (Time)

INSPECTION RECORD

Preliminary	_____	by	_____
Preliminary	_____	by	_____
Preliminary	_____	by	_____
Preliminary	_____	by	_____
Final	_____	by	_____

(Signature of Applicant)

(Signature of Person Issuing Permit)

Distribution: White — Book
Pink — Cashier
Yellow — File
Hard Copy — Applicant

DNR-00018793

SHORELINE MANAGEMENT ACT OF 1971
PERMIT FOR SHORELINE MANAGEMENT SUBSTANTIAL DEVELOPMENT,
CONDITIONAL USE OR VARIANCE

Permit No. 60-82

Administering
Agency City of Bremerton

Date Application Rec'd. 12/15/81

Approved x Denied

Date 5/20/82

Revised 2/9/83

Type of Action(s)

☒ Substantial Development Permit

☒ Conditional Use

☐ Variance

Pursuant to RCW 90.58, a permit is hereby granted to

Port Washington Inc.
(name of applicant)
P. O. Box 381
(address)
Bremerton, WA 98310

to undertake the following development: *To construct a 79-boat moorage facility including: 1. Removal of existing facilities; 2. Dredging of about 27,000 cu. yds. of bottom material; 3. Installation of new facilities to moore 79 boats; 4. Related upland improvements including a 40 stall parking lot construction, roadway improvements and harbour master quarters/clubhouse/store."

Within Port Washington Narrows and/or its associated wetlands.
name of water area

upon the following property: (legal description)(to the nearest quarter section, township, range): (on South side of Port Washington Narrows between Thompson Dr. & Anderson Cove)
Government Lots 6 and 7, Sec. 11, Township 24 North, Range 1 East

The project will be within shorelines of statewide significance (RCW 90.58.030)
(be) (not be) Urban Residential

The project will be located within a Urban Commercial A designation. The following
(environment)

master program provisions are applicable to this development P. 19 - 60
(state the master program)

Bremerton Shoreline Master Program
sections or page numbers)

If a conditional use or variance, also identify the portion of Master Program which allow the conditional use or permits the variance.

P. 9 & 10
P. 39 Marinas, P. 59 Water Access & Moorage,
P. 30 Commercial Development, P. 32 Dredging, P.35, Grading & Drainage,
P. 57 Utilities, P. 49 roads, P. 54 Signs

* Revised on 2/9/83

Development under this permit shall be undertaken pursuant to the following terms and conditions:

1. This Shoreline Substantial Development and Conditional Use Permit is subject to the various requirements contained in the Bremerton Area Plan, the Bremerton Zoning Ordinance, the Uniform Building Code, the Bremerton Shoreline Management Master Program and other applicable laws and regulations. It is the responsibility of the developer to assure compliance with the applicable provisions contained therein.
2. *The site shall be developed essentially the same as the site plan labeled Exhibit "B" except as modified to meet conditions of approval listed herein, and the Seton, Johnson & Odell Plan dated 1/14/83 in terms of over the water construction.
3. Any changes, revisions or additions which constitute a significant departure from the approved site plan shall require approval of the City Council under the requirement of WAC 173-14.
4. Prior to the issuance of any construction permits, grading or dredging permits the developer shall submit plans and specifications which indicate that the development and planning thereof meet the following conditions:

Project Design

- a. The marina shall be designed and developed in accordance with the April 1974 Department of Social and Health Services "Guidelines for Marina Development and Operation."
- b. The developer shall, where feasible, underground all landward utilities serving the site.
- c. Only open pile and/or float construction shall be permitted for dock and moorage facilities.

Utilities

- d. Storm water drainage facilities and systems to accommodate sanitary sewage shall be approved by the City Engineer prior to installation and installed according to the approved plans, the Bremerton Master Program and City Engineering requirements.
- e. Pump-out facilities shall be provided for the disposal of sanitary wastes from boats using the marina and any other facility not connected to City sewer lines. The design, operation and method of handling, storing or transporting, and treating sanitary sewage generated by the facility shall be according to criteria established by the State Department of Social and Health Services and Department of Ecology and shall be approved by the City Engineer and Bremerton/Kitsap County Health Department.
- f. The developer shall coordinate with the City's sewage system improvement consultant (now CH₂M Hill) regarding marina development and potential public sewer improvements to the pressure sewer line along the beach at the marina site.

Emergency Access and Fire Protection

- g. The access drive to the club house on the east end of the project shall be widened and improved to 20 feet to meet emergency vehicle access requirements and such access shall also be provided to the western pedestrian access pier near 19th. Such emergency access shall be approved by the Bremerton Fire Department.
- h. The developer shall provide wet and dry standpipe, connections thereto and fire hydrants as required by the Bremerton Fire Department.

* Revised on 2/9/83

Public Facilities and Public Access

- i. Drinking water facilities shall be provided for the private or public users of the facility.
- j. Secure bicycle parking shall be provided in the club house area for no less than four (4) bicycles. Such parking shall be designed and located according to the adopted Planning Commission's Bicycle Parking Standards.

Other

- k. No dry storage nor launch facilities shall be provided.
 - l. Must meet Department of Fisheries criteria regarding timing and construction methodologies necessary for the protection of fish life. Written evidence of such compliance from the Department of Fisheries shall be presented to the City of Bremerton.
 - m. Proof of issuance of a State Department of Fisheries and Game Hydraulic Project approval must be provided to the City of Bremerton.
5. Prior to the issuance of an occupancy permit:
- a. A public pedestrian access easement shall be granted to the City and filed with the County Auditor along and over any tidelands on or adjacent to the site over which the developer has control.
 - b. A binding permanent or perpetual contract approved by the City Attorney and City Engineer between the marina owners and a qualified contractor to provide pump-out services for the proposed sewage holding tanks serving the marina shall be provided to the City.
6. General Conditions:
- a. *The parking area for the facility on Thompson, the eastern access drive along Renn Stroll and Thompson Ave. north of Marguerite shall be paved and improved to City Engineering standards. These improvements shall be put in place and approved by the City before any temporary or final occupancy permits for the marina are issued.
 - b. The developer shall, in final design, comply with the provisions of the Bremerton Shoreline Management Master Program regulations particularly those dealing with dredging, grading and drainage, marinas, signs, utilities, water access, roads, moorage facilities and commercial development. A description of this compliance shall be indicated in any applications for construction permits.
 - c. *The permit issued is for the entire development shown on the site plan labeled Exhibit "B" and the Seton, Johnson & Odell Inc. plan dated 1/14/83 including the over-and on-water work, the upland improvements to the "club house" facility and the accessory parking area on Thompson Avenue. The provision of this parking area is inseparably tied to this permit. Bremerton zoning regulations provide that parking for a development at no time may be decreased below that level required at the time of development. The penalty for such violation is vacation of the entire premises. This same requirement is incorporated in part of this permit.
 - c. The permit issued is for the entire development shown on the site plan labeled Exhibit "B" including the over- and on-water work, the upland improvements to the "club house" facility and the accessory parking area on Thompson Ave. The provision of this parking area is inseparably tied to this permit. Bremerton zoning regulations provide that parking for a development at no time may be decreased below that level required at the time of development. The penalty for such violation is vacation of the entire premises. This same requirement is incorporated in part of this permit.
 - d. The developer is encouraged to landscape the access drive and club house area and provide benches for viewing along the water side of the bulkhead east of the main marina building and the access drive.
 - e. No covered moorage is approved under this permit. Permit revisions or a new permit will be required for such additional development.

* Revised on 2/9/83

f. In order to help ensure the safety and security of those marina patrons using the parking area on Thompson and petroleum products business to the south of proposed parking area, a detailed plan to City Engineering and Building Department specifications shall be submitted and approved showing the method of construction and design of the subject parking area. Facilities to be considered in this design include the petroleum company building, tanks and bulkheads to the south of the parking area and a buried petroleum pipe line which may exist in the western portions of the parking site.

g.* Prior to the occupancy of any marina slips proposed in this development, the parking area on Thompson shall be improved and ready for occupancy.

h. If any of the properties involved in the permit application are withdrawn from the project, this permit shall be suspended and no development, further development or occupancy of the marina shall be permitted until such time as necessary permits are obtained to replace any required facilities, such as parking, which may be lost if properties are withdrawn.

i. *If at any time during construction it becomes necessary in the opinion of the City Engineer that any or all of the paving described in Condition 6.a above be provided to ensure clean, safe and dust free conditions on public rights-of-way near the site this paving work will be required by the City Engineer.

7. All the above conditions shall be met prior to the issuance of an occupancy permit.

This permit is granted pursuant to the shoreline management act of 1971 and nothing in this permit shall excuse the applicant from compliance with any other federal, state or local statutes, ordinances or regulations applicable to this project, but not inconsistent with the shoreline management act (Chapter 90.58 RCW).

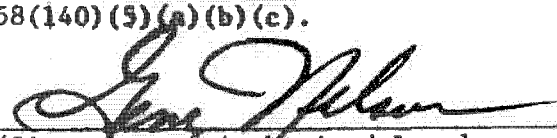
This permit may be rescinded pursuant to RCW 90.58.140(8) in the event the permittee fails to comply with the terms or conditions thereof.

CONSTRUCTION PURSUANT TO THIS PERMIT WILL NOT BEGIN OR IS NOT AUTHORIZED UNTIL THIRTY (30) DAYS FROM THE DATE OF FILING THE FINAL ORDER OF THE LOCAL GOVERNMENT WITH THE REGIONAL OFFICE OF THE DEPARTMENT OF ECOLOGY AND THE ATTORNEY GENERAL, OR UNTIL ALL REVIEW PROCEEDINGS INITIATED WITHIN THIRTY (30) DAYS FROM THE DATE OF SUCH FILING HAVE TERMINATED: EXCEPT AS PROVIDED IN RCW 90.58(140)(5)(a)(b)(c).

6/1/82
(Date)

2/9/83

Revised (Date)


(Signature of Authorized Local
Government Official)


MORRIE DAWKINS, MAYOR

THIS SECTION FOR DEPARTMENT OF ECOLOGY USE ONLY IN REGARD TO A CONDITIONAL USE OR VARIANCE PERMIT.

Date received by Department of Ecology _____

Approved _____

Denied _____

This conditional use/variance permit is approved/denied by the Department of Ecology pursuant to Chapter 90.58 RCW. Development shall be undertaken pursuant to the following additional terms and conditions:

(Date)

(Signature of Authorized Department
of Ecology Official)

* Revised or added 2/9/83

XXXXXX/FINAL DECLARATION
OF XXXXXXXXXXXX NON-SIGNIFICANCE

Description of proposal Dredging for the Port Washington Marina

Port Washington Inc.

P.O. Box 387

Bremerton, WA 98310

On the south side of Port Washington Narrows between
Thompson Drive and Anderson Cove

CITY OF BREMERSON

The project is not expected to (xxx) (not have) a significant adverse
effect on the environment. The project is not required under the RCWA, IC.
The project is not expected to (xxx) (not have) the lead agency of a
project. The project is not expected to (xxx) (not have) the lead agency of a
project. The project is not expected to (xxx) (not have) the lead agency of a
project.

Elmer W. H. H. H.

Planning Director

Date

5/26/83

Signature

Kenneth W. Allen

SHORELINE PERMIT

CITY OF BREMERTON

PROPOSED/~~KXNAK~~ DECLARATION
OF ~~XSIGNIFICANCE~~/NON-SIGNIFICANCE.

Description of proposal Shoreline Substantial Development and
Conditional Use Permit for the development of a 68-slip marina, accessory
buildings and parking

Proponent Port Washington, Inc.
20 West Gahler
Seattle WA 98109

Location of Proposal The site is on the south side of the Port Washington
Narrows, west of Thompson Drive and east of Naval Avenue in Bremerton Washington.

Lead Agency CITY OF BREMERTON

This proposal has been determined to (~~have~~/not have) a significant adverse impact upon the environment. An EIS (~~is~~/is not) required under RCW 43.21C.030(2) (c). This decision was made after review by the lead agency of a completed environmental checklist and other information on file with the lead agency.

Responsible Official KENNETH W. ATTEBERY

Position/Title PLANNING DIRECTOR

Date 4/16/82

Signature Kenneth W. Attebery

**DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS**

NOTICE OF AUTHORIZATION

**PERMIT TO CONSTRUCT MARINE DEEDGE APPROACH
MATERIAL, DREDGED MATERIAL, AND DEPOSITED
ROCK IN ELLIOT BAY (EXPAND EXISTING COMMERCIAL
PORT WASHINGTON NARROWS, PILE SOUND**

AT BREMERTON WASHINGTON

HAS BEEN ISSUED TO

ADDRESS OF PERMITTEE

**PORT WASHINGTON, INC
POST OFFICE BOX 381
BREMERTON, WASHINGTON 98**

PERMIT NUMBER 071-OYB-2-007820

NORMAN C. HINTZ

**District Engineer
COLONEL, CORPS OF ENGINEERS**

**ENG Form 4336
Jul 70**

THIS NOTICE MUST BE CONSPICUOUSLY DISPLAYED AT THE SITE OF WORK

I Background

RECEIVED

JAN 14 1982

City of Bremerton
Planning Dept.

- 8) The estimated date for completion of proposal is within 18 months of the issuance of the necessary permits allowing construction to begin.

- 9) Permits, etc. required include: U.S. Army Corps. of Engineers permit, State and City of Bremerton Shoreline Substantial Development permit and Conditional Use permit, State Department of Fisheries Hydraulics permit and City of Bremerton Building Construction, Water, Sewer and Electrical permits.
- 10) There are no plans for future expansions for this marina project based on the area involved in the state D.N.R. lease and its limitations. There will be no direct relationship of this project to the existing SeaBrim Condominium project or to the proposed Anderson Cove Condominium (19th Street) project other than the ability of the individual homeowners or homeowner association to participate in the completed marina.

II. Environmental Impacts additional information

1) Earth

- b) the project will require dredging of approx. 27,000 cubic yards of material from the subtidal and intertidal part of the site with disposal in an approved location out of the general area.
- c) ----- retype exist answer -----
- f) the final slope between the beach and the bottom of the dredged area is expected to be a slope of about 3 to 1. There will be a tendency for an increase in the movement of beach sands due to a change in the subsurface tidal action. The character of the substrata will maintain a 3 to 1 or steeper slope.

2) Air quality

The completed project will have very little impact on air quality due to the increase of boat traffic. The marina site is lower than any directly adjacent living units, combining this factor and the air currents that move along the Port Washington Narrows will

2) Air quality (Cont'd)

RECEIVED

JAN 14 1982

City of Bremerton
Planning Dept.

eliminate the possibility of boat traffic substantially affecting the air quality. Parking and auto traffic is to be limited to the existing street areas and commercial area along Marguerite and Thompson. There should be no noticeable change in air quality due to this small increase in traffic and number of vehicles.

- 3) (a) There will be some minor effect on the water wave movement along the shoreline. This will be in general only noticeable along the marina site when a larger boat (less than 60') enters or departs from the marina facility. Due to the prevailing water movement in the Port Washington Narrows this boat generated wave movement should be of a short duration and have no detrimental effects. The majority of this wave movement will be dampened by the floats themselves.
- 3) (e) During the actual dredging operation there will be an increase in turbidity of the water along the south side of the Narrows. The extent of this turbidity will be somewhat dependent on the tidal movement during that time. This increase particle movement should be of a short duration due to the particle weight and density of the material be moved and not be present after the completion of dredging. Within two weeks of completion of the dredging there should be no noticeable effect on the water quality in the Port Washington Narrows.
- 3) (i) The usage of domestic water at the marina should have no real effect on the public water supply. Usage of a marina is generally only to filling of water tanks and some minor washing of people and equipment.
- 5) (a) The dredging of the site will remove existing intertidal clams which will not repopulate the deeper sub-tidal marina basin. There is a good possibility of a new popultion of sub-tidal species moving into deeper basin including the re-establishment of the native flora. This is particularly true for fish species, which tend to inhabit piling areas and will provide better shore fishing possibilities.

The actual effect on shore birds and other fauna should show no real change in that a marina does now exist on the site.

The end result of the project will be a minor reduction in intertidal clam digging while encouraging a better shore fishing habitat.

- 6) The impact of increase vehicular traffic in the area around Thompson and perhaps into Marguerite should be small. The marina will provide 67 slips. The estimate number of round trips during a week day should be less than 20. The heaviest traffic generated by the marina will happen during the weekend, particularly during good summer weather, and should be approximately 80 round trips per day. Trips to the marina site will not be happening during typical rush hour traffic situations. The highest traffic will be weekends when street traffic is usually low and over a better spread of time.

6)
RECEIVED

JAN 14 1982

(Cont'd)

The marina will in general be open to the users on a keyed basis 24 hours per day. Construction itself will generally be limited to a 7:00 a.m. to 6:00 p.m. period during the working week.

City of Bremerton
Planning Dept.

The traffic going to and from the proposed marina should have no impact on the residential and commercial neighborhoods with regard to glare and light; predominately the traffic is daytime in nature.

Lighting at the marina itself will be shielded to protect the adjacent neighborhoods.

- 13) The project vehicular traffic will be predominately cars in that there is no plan to provide direct vehicular access to the shoreline. The estimated traffic count during the weekdays is less than 20 round trips per day, spread over the full with no peak period. The highest projected round trip count is during a good summer weekend or holiday and is estimated to be 80 round trips per day with the heaviest period before 10:00 a.m. and after 5:00 p.m. In general there should be no vehicular conflict with typical rush hour traffic flow.

The projected parking area will be in the commercial area on Thompson and handle approximately 40 cars. the access streets should be Thompson, Pennsylvania and Marguerite, with Thompson being the major access. The major traffic impact appear to be Thompson 60%, Pennsylvania 30%, and Marguerite approximately 10%. In that no direct vehicular access is planned to the shoreline there will not be the problem of trucks and boat trailers in the parking areas.

The increase of boat traffic in the Port Washington Narrows should be little. A 67 slip marina is small in relationship to other marinas. Estimates are that with a marina of this capacity the highest number trip count by boats during a good summer weekend or holiday is approx. 60 round trips per day.

- 14) The increased demand for service by police, fire, garbage, and etc., should be small and have no noticeable effect.
- 16) The degree of demand for utilities, water sewer and power should be little. The largest usage will probably be power (electricity) used as power to each slip for on board usage and general power for lighting.

I. BACKGROUND (ANSWER ALL ITEMS 1-12, USE NA IF NOT APPLICABLE)

1. Name of Proponent Port Washington, Inc.
2. Address P.O. Box 381 Bremerton, WA 93810
Phone (bus.) 479-7030 (res.) 479-8786
3. Date Checklist Submitted 12/15/87
4. Agency Requiring Checklist City of Bremerton
5. Name of Proposal, if applicable: Port Washington Marina
6. Nature and Brief Description of the Proposal (including but not limited to its size, general design elements, and other factors that will give an accurate understanding of its scope and nature):
See attached.
7. Location of Proposal (describe the physical setting of the proposal, as well as the extent of the land area affected by any environmental impacts, including any other information needed to give an accurate understanding of the environmental setting of the proposal):
See attached.
8. Estimated Date for Completion of the Proposal:
9. List of all Permits, Licenses or Government Approvals Required for the Proposal (federal, state and local--including rezones):
U.S. Army Corps of Engineers Permit
10. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain:
No
11. Do you know of any plans by others which may affect the property covered by your proposal? If yes, explain:
No
12. Attach a copy of any other application form that has been completed regarding the proposal: (i.e., Health Department permit, required state permits, etc.) if none has been completed, but is expected to be filed at some future date, describe the nature of such application form: U.S. Army Corps of Engineers Permit

II. ENVIRONMENTAL IMPACTS

(ALL "YES" AND "MAYBE" ANSWERS MUST BE ANSWERED ON ADDITIONAL SHEETS. USE QUANTITATIVE INFORMATION IN YOUR ANSWERS WHERE APPLICABLE.)

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
(1) <u>Earth</u> . Will the proposal result in:			
(a) Unstable Earth conditions or in changes in geologic substructures?	_____	_____	<u>X</u>
(b) Disruptions, displacements, compaction or overcovering of the soil?	<u>X</u>	_____	_____
(c) Change in topography or ground surface relief features?	<u>X</u>	_____	_____
(d) The destruction, covering or modification of any unique geologic or physical features?	_____	_____	<u>X</u>
(e) Any increase in wind or water erosion of soils, either on or off the site?	_____	_____	<u>X</u>
(f) Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet or lake?	_____	<u>X</u>	_____
(2) <u>Air</u> . Will the proposal result in:			
(a) Air emissions or deterioration of ambient air quality?	_____	_____	<u>X</u>
(b) The creation of objectionable odors?	_____	_____	<u>X</u>
(c) Alteration of air movement, moisture or temperature, or any change in climate, either locally or regionally?	_____	_____	<u>X</u>

EXPLAIN ALL YES AND MAYBE ANSWERS ON ADDITIONAL SHEET

The site is designated as a "residential" shoreline in the city of Bremerton's Shoreline Management Master Program. The site is zoned "residential" by the city, with present use as a boat moorage facility.

II. ENVIRONMENTAL IMPACTS

(1) Earth

- (b) The project will require dredging of about 27,000 cubic yards of materials from the subtidal and intertidal part of the site.
- (c) The dredging project will change the local relief characteristics of the bottom, with the main marina area having a flat subtidal bottom at -10 feet (MLLW), and a dredge slope near the shore of 2 to 1 (horizontal to vertical). This slope would eventually be expected to flatten from tidal and wave action to about a 3 to 1 slope.
- (f) The dredged marina basin will be somewhat deeper than adjoining natural beach areas, and could potentially affect the movement of beach sands. Future maintenance dredging may be required.

(3) Water

- (a) The construction of the marina may have some minor effects on tidal currents in the immediate vicinity of the site, but would not be noticeable in the main channel.

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
(3) <u>Water</u> . Will the proposal result in:			
(a) Changes in currents, or the course or direction of water movements, in either marine or fresh waters?	_____	<u>X</u>	_____
(b) Changes in absorption rates, drainage patterns, or the rate and amount of surface water runoff?	_____	_____	<u>X</u>
(c) Alterations to the course or flow of flood waters?	_____	_____	<u>X</u>
(d) Change in the amount of surface water in any water body?	_____	_____	<u>X</u>
(e) Discharge into surface waters, or in any alteration of surface water quality, including but not limited to temperature, dissolved oxygen or turbidity?	_____	<u>X</u>	_____
(f) Alteration of the direction or rate of flow of ground waters?	_____	_____	<u>X</u>
(g) Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations?	_____	_____	<u>X</u>
(h) Deterioration in ground water quality, either through direct injection, or through the seepage of leachate, phosphates, detergents, waterborne virus or bacteria, or other substances into the ground waters?	_____	_____	<u>X</u>
(i) Reduction in the amount of water otherwise available for public water supplies?	_____	_____	<u>X</u>
(4) <u>Flora</u> . Will the proposal result in:			
(a) Change in the diversity of species, or numbers of any species of flora (including trees, shrubs, grass, crops, microflora and aquatic plants)?	<u>X</u>	_____	_____
(b) Reduction of the numbers of any unique, rare or endangered species of flora?	_____	_____	<u>X</u>

EXPLAIN ALL YES AND MAYBE ANSWERS ON ADDITIONAL SHEET

- (e) The presence of 36 additional boats at the completed marina could cause a potential for decrease in water quality due to leakage of gas, oil, or other substances from boats. However, this is very unlikely as no fueling facility is planned.

A temporary decrease in water quality could be expected in the immediate vicinity of the dredging operation during construction.

(4) Flora

- (a) The dredging of the site will remove all aquatic flora from the dredging area. After the site is dredged, it is likely that new aquatic flora will re-establish themselves in the marina basin.

(5) Fauna

- (a) The dredging of the site will remove existing intertidal clams, which will not re-populate the new marina basin, because it will then be sub-tidal. Use of the upper beach area (above +5 feet MLLW) by shore birds and other fauna may continue, although this activity will be somewhat disrupted by marina use.
- (d) During construction of the marina, a potential for temporary deterioration of the existing habitat on the site exists. Work will be done during a period of time as set forth by the Dept. of Fisheries and Game that will least disrupt the fish habitat.

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
(c) Introduction of new species of flora into an area, or in a barrier to the normal, replenishment of existing species?	—	—	<u>X</u>
(d) Reduction in acreage of any agricultural crop?	—	—	<u>X</u>
(5) <u>Fauna</u> . Will the proposal result in:			
(a) Changes in the diversity of species, or numbers of any species of fauna (birds, land animals including reptiles, fish and shellfish, benthic organisms, insects or microfauna)?	<u>X</u>	—	—
(b) Reduction of the numbers of any unique, rare or endangered species of fauna?	—	—	<u>X</u>
(c) Introduction of new species of fauna into an area, or result in a barrier to the migration or movement of fauna?	—	—	<u>X</u>
(d) Deterioration to existing fish or wildlife habitat?	—	<u>X</u>	—
(6) <u>Noise</u> . Will the proposal increase existing noise levels?	<u>X</u>	—	—
(7) <u>Light and Glare</u> . Will the proposal produce new light or glare?	<u>X</u>	—	—
(8) <u>Land Use</u> . Will the proposal result in the alteration of the present or planned land use of an area?	—	—	<u>X</u>
(9) <u>Natural Resources</u> . Will the proposal result in:			
(a) Increase in the rate of use of any natural resources?	—	—	<u>X</u>
(b) Depletion of any nonrenewable natural resource?	—	—	<u>X</u>

EXPLAIN ALL YES AND MAYBE ANSWERS ON ADDITIONAL SHEET

(6) Noise

There will be an increase in noise during project construction.
Noise increase from marine operation will be minor.

(7) Light and Glare

Lights on the docks and additional boats in the marina will
produce a minor increase of light in the area.

(10) Risk of Upset

The presence of the marina could increase the risk of oil,
gas, and sewage spills into the water of Port Washington
Narrows.

(13) Transportation/Circulation

- (a) The project will generate new auto traffic to and from
the site. Although most marina slips will be sold in
conjunction with condominiums nearby, some new exogenous
traffic will be created.
- (b) Additional parking required for the moorage facility
in provided in conjunction with commercial land along
Thompson Drive.
- (c) Traffic to the new marina will use existing streets,
adding a small amount of traffic movements. This may
have a minor affect on existing street systems.

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
(10) <u>Risk of Upset.</u> Does the proposal involve a risk of an explosion or the release of hazardous substances (including, but not limited to, oil, pesticides, chemicals or radiation) in the event of an accident or upset conditions?	—	<u>X</u>	—
(11) <u>Population.</u> Will the proposal alter the location, distribution, density, or growth rate of the human population of an area?	—	—	<u>X</u>
(12) <u>Housing.</u> Will the proposal affect existing housing, or create a demand for additional housing?	—	—	<u>X</u>
(13) <u>Transportation/Circulation.</u> Will the proposal result in:			
(a) Generation of additional vehicular movement?	<u>X</u>	—	—
(b) Effects on existing parking facilities, or demand for new parking?	<u>X</u>	—	—
(c) Impact upon existing transportation systems?	—	<u>X</u>	—
(d) Alterations to present patterns of circulation or movement of people and/or goods?	—	—	<u>X</u>
(e) Alterations to waterborne, rail or air traffic?	—	<u>X</u>	—
(f) Increase in traffic hazards to motor vehicles, bicyclists or pedestrians?	—	—	<u>X</u>
(14) <u>Public Services.</u> Will the proposal have an effect upon, or result in a need for new or altered governmental services in any of the following areas:			
(a) Fire protection?	—	—	<u>X</u>
(b) Police protection?	—	—	<u>X</u>
(c) Schools?	—	—	<u>X</u>

EXPLAIN ALL YES AND MAYBE ANSWERS ON ADDITIONAL SHEET

- (e) The marina will be built within the outer harbor line. Boat traffic in Port Washington Narrows, however, will be increased in the vicinity of the marina.

(16) Utilities

- (a)(c)(d) The proposed project will use electricity and water, which will be supplied on the docks. In addition, the marina will have a boat pumpout station for sewage. This sewage will be pumped into the existing sanitary sewer in 19th Street.
- (b) Telephone may be installed on the float system.
- (f) Provisions for garbage collection will be provided at the shore end of each access ramp.

(19) Recreation

The marina may decrease the quantity and quality of beach use by the public at the site. The dredging project will eliminate intertidal areas which are now used by beachcombers, as well as eliminating the intertidal hardshell clams from the site. But this is of little effect as this property is now private beach only used by marina owners.

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
(d) Parks or other recreational facilities?	—	—	<u>X</u>
(e) Maintenance of public facilities, including roads?	—	—	<u>X</u>
(f) Other governmental services?	—	—	<u>X</u>
(15) <u>Energy</u> . Will the proposal result in:			
(a) Use of substantial amounts of fuel or energy?	—	—	<u>X</u>
(b) Demand upon existing sources of energy, or require the development of new sources of energy?	—	—	<u>X</u>
(16) <u>Utilities</u> . Will the proposal result in a need for new systems, or alterations to the following utilities:			
(a) Power or natural gas?	<u>X</u>	—	—
(b) Communications systems?	—	<u>X</u>	—
(c) Water?	<u>X</u>	—	—
(d) Sewer or septic tanks?	<u>X</u>	—	—
(e) Storm water drainage?	—	—	<u>X</u>
(f) Solid waste and disposal?	<u>X</u>	—	—
(17) <u>Human Health</u> . Will the proposal result in the creation of any health hazard or potential health hazard (excluding mental health)?	—	—	<u>X</u>
(18) <u>Aesthetics</u> . Will the proposal result in the obstruction of any scenic vista or view open to the public, or will the proposal result in the creation of an aesthetically offensive site open to public view?	—	—	<u>X</u>
(19) <u>Recreation</u> . Will the proposal result in an impact upon the quality or quantity of existing recreational opportunities?	—	<u>X</u>	—

EXPLAIN ALL YES AND MAYBE ANSWERS ON ADDITIONAL SHEET

Yes Maybe No

- (20) Archeological/Historical. Will the proposal result in an alteration of a significant archeological or historical site, structure, object or building?

_____ _____ X

III. SIGNATURE

I, the undersigned, state that to the best of my knowledge the above information is true and complete. It is understood that the lead agency may withdraw any declaration of non-significance that it might issue in reliance upon this checklist should there be any willful misrepresentation or willful lack of full disclosure on my part.

Proponent:

Wayne E. Johnson

Date:

PORT WASHINGTON MARINA ENVIRONMENTAL CHECKLIST SUPPLEMENT

1. BACKGROUND

6. Description of the Proposal: The proposal consists of renovating the existing marina by construction of a new 67 slip marina with two access piers that now exist and gangways, sewer pumpout facility, and water and electricity on the floats. The slip sizes and numbers would be as follows:

<u>Slip Size</u>	<u>Number</u>
35 feet	2
40 feet	53
50 feet	11
60 feet	<u>1</u>
Total	67 slips

The site presently contains an existing 40-slip marina with piers docks, and old pilings which would be removed prior to construction of the new marina. The marina would require the existing site to be dredged to an overall depth of -10 feet (MLLW). Of the total 3.5 acre (+) waterside marina area, about 2.8 acres would be dredged. A total of 27,000 cubic yards of sandy gravel material would be dredged by clamshell dredge, placed on a barge, and disposed of in deep-water. Proposed plans call for disposal at 4 mile rock, off Magnolia Bluff, west of Seattle.

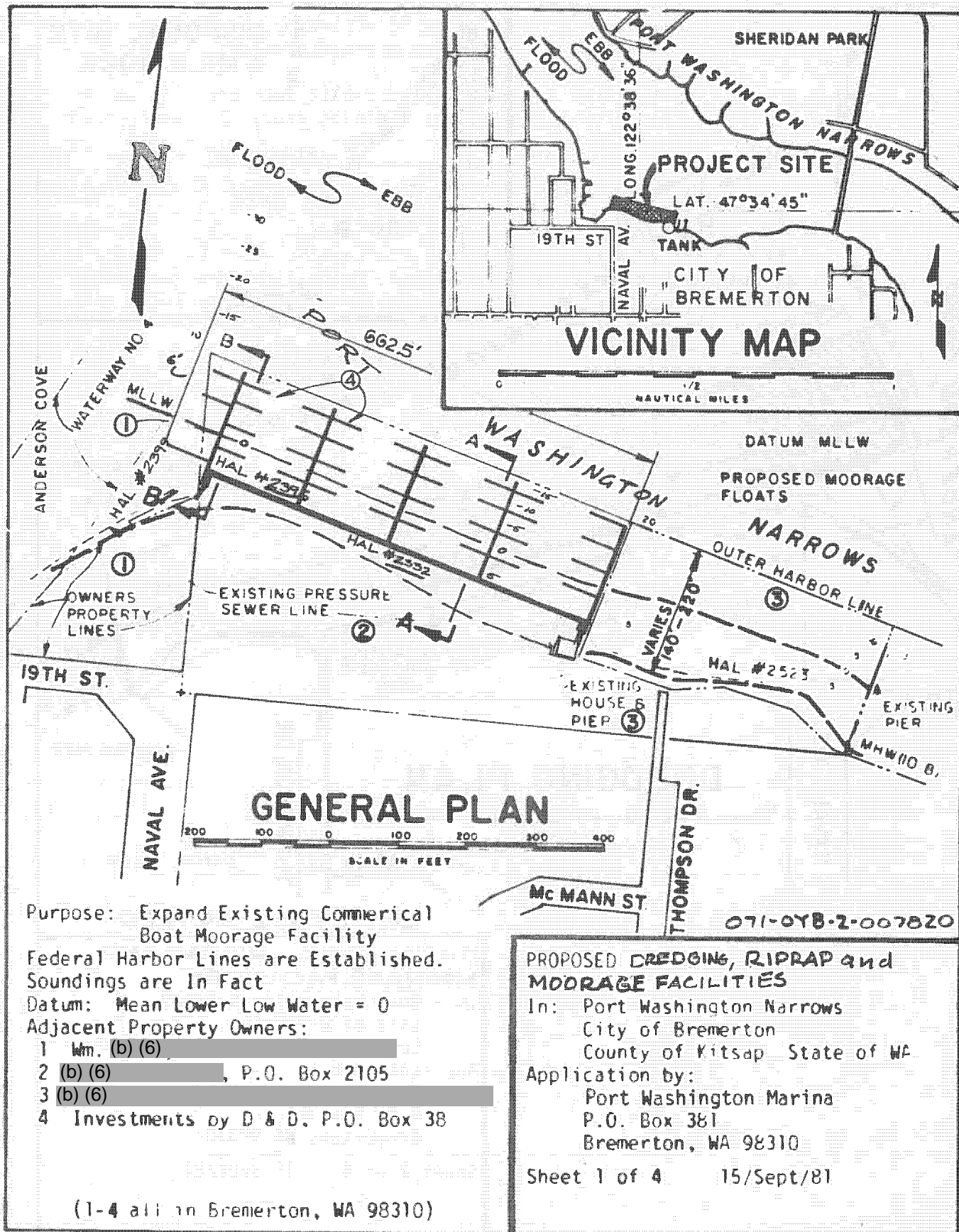
The marina slips are to be built for use in conjunction with existing and proposed condominium residences on nearby upland property and replacement of the existing moorages. The marina project itself would be about 630 feet long (parallel to the shoreline) and about 150 feet wide, extending from the existing beach seaward to the outer harbor line of the Port Washington Narrows.

7. Location of Proposal: The proposal is located in the city of Bremerton on the south side of Port Washington Narrows at and near the north end of Naval Avenue. Anderson Cove is located on part of the subject property immediately west of the marina site.

The project site consists of a total of about 3.5 acres of existing beach, intertidal area, and subtidal area. Immediately above the beach a rather steep wooded hill rises about 60 feet in elevation. Near the top of the hill is an existing apartment building. Nearby are many other structures, homes, streets, and man-made facilities.

At the project site Port Washington Narrows is about 2,000 feet wide. No wave protection is planned for the marina. Wave activity at the site is limited to boat wakes in the channel. Historically moorage has prevailed at the site without specific wave protection.

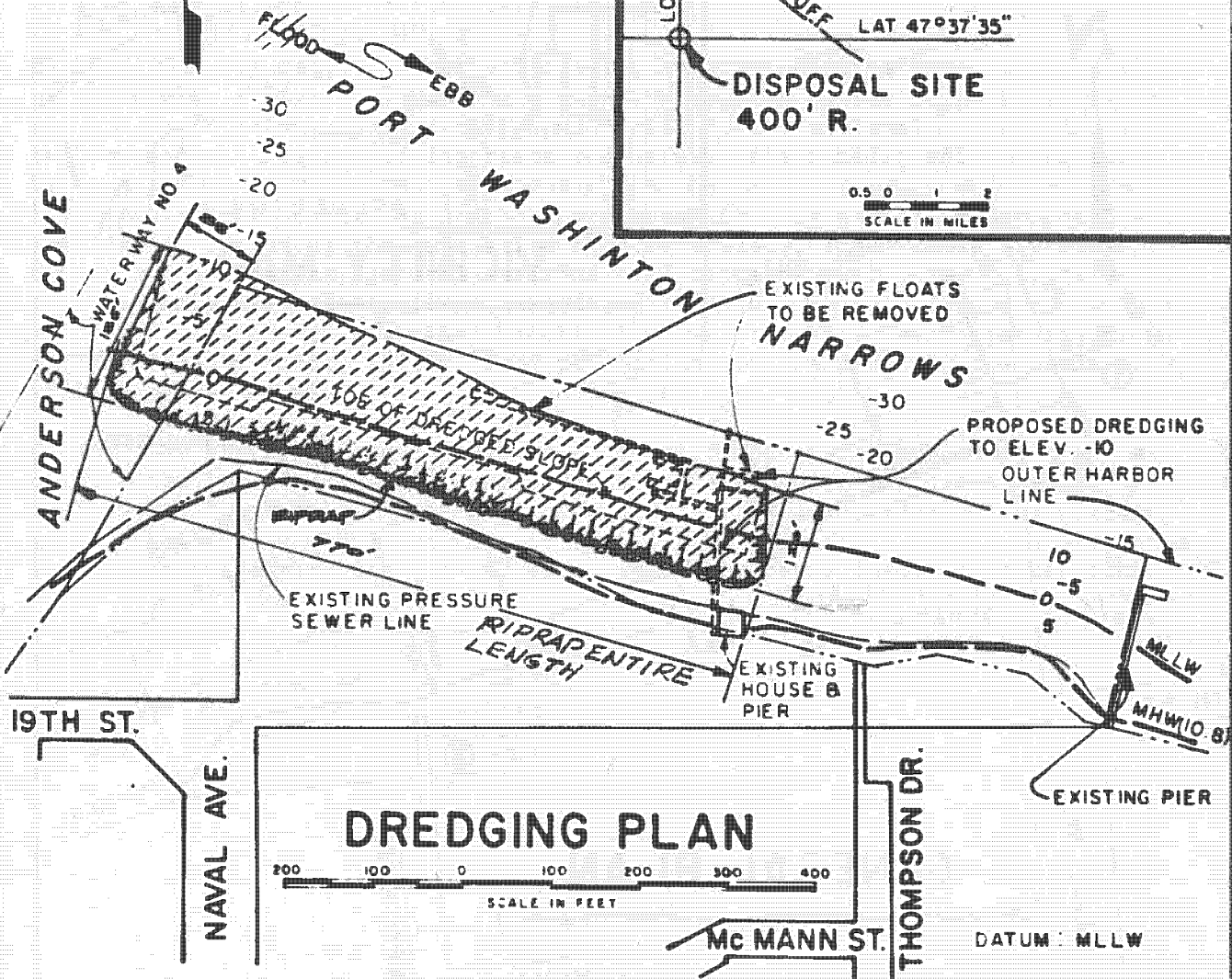
According to the Washington Marine Atlas (June 1977) published by the State Department of Natural Resources, the project site contains no oysters or subtidal geoducks or hardshell clams. The site does have intertidal hardshell clams. The area of the site, according to the above source, does not normally support shrimp, scallops, or crab. The site is included in general areas designated as both "major waterfowl areas" and "eelgrass beds".



DISPOSAL SITE 4 MILE ROCK

LONG 122°25'00"
MAGNOLIA BLUFF
LAT 47°37'35"
DISPOSAL SITE
400' R.

0.5 0 1 2
SCALE IN MILES



DREDGING PLAN

200 100 0 100 200 300 400
SCALE IN FEET

071-0YB-2-007120

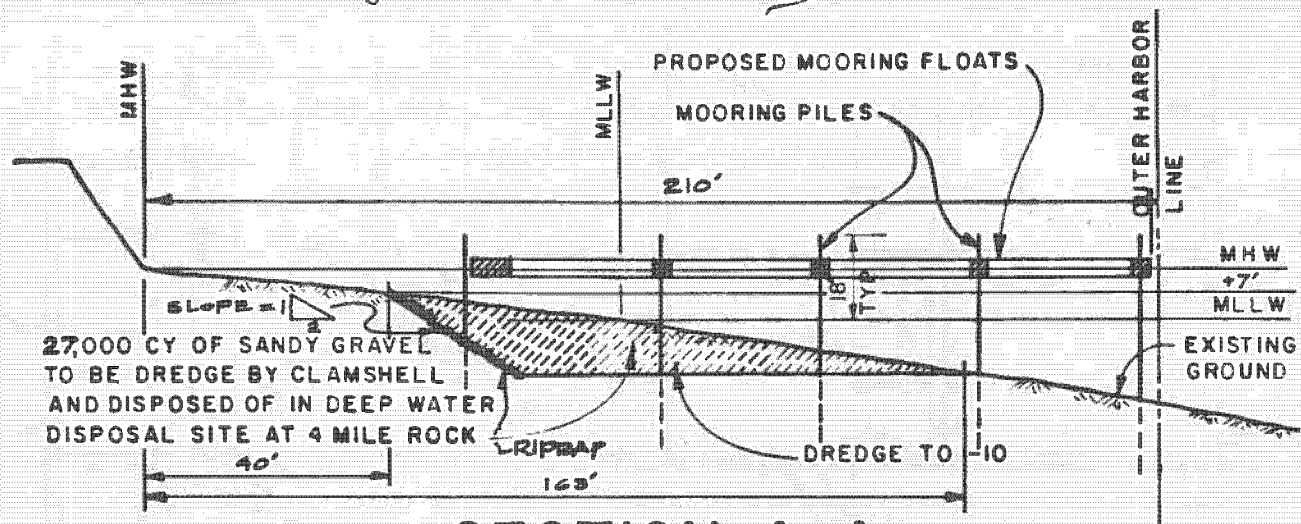
PROPOSED DREDGING, RIPRAP AND MOORAGE FACILITIES

For: Port Washington Narrows
City of Bremerton
County of Kitsap State of WA

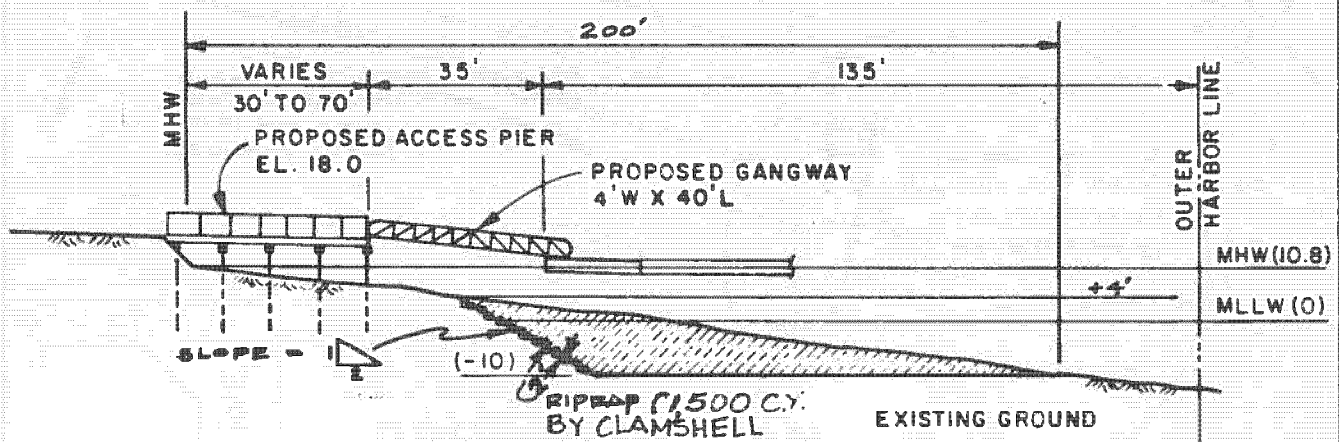
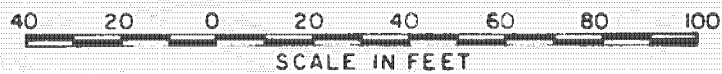
Application by:

Port Washington Marina
P.O. Box 381
Bremerton, WA 98310

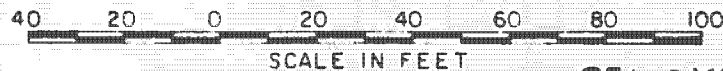
Sheet 2 of 4 15 Sept/81



SECTION A-A



SECTION B-B



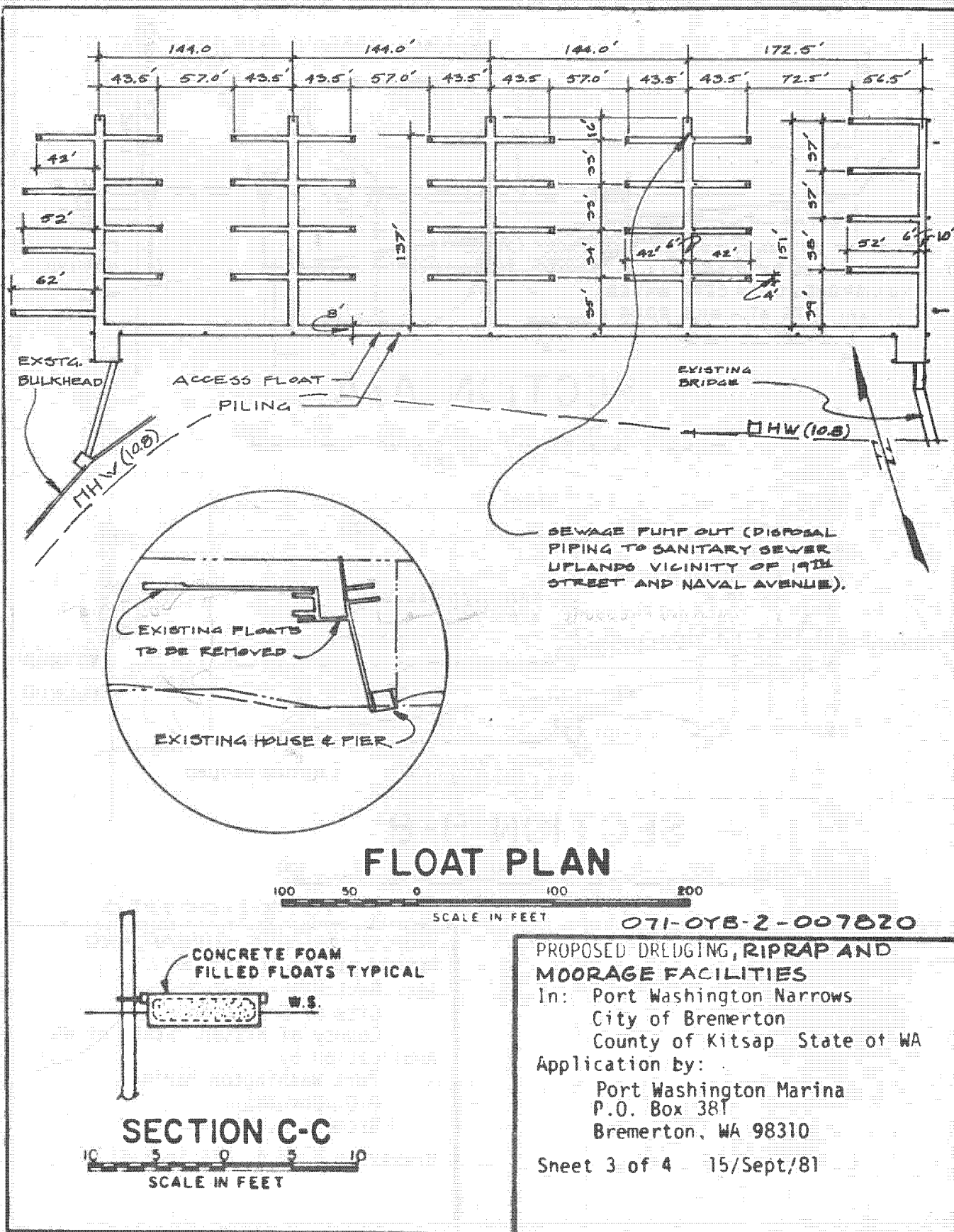
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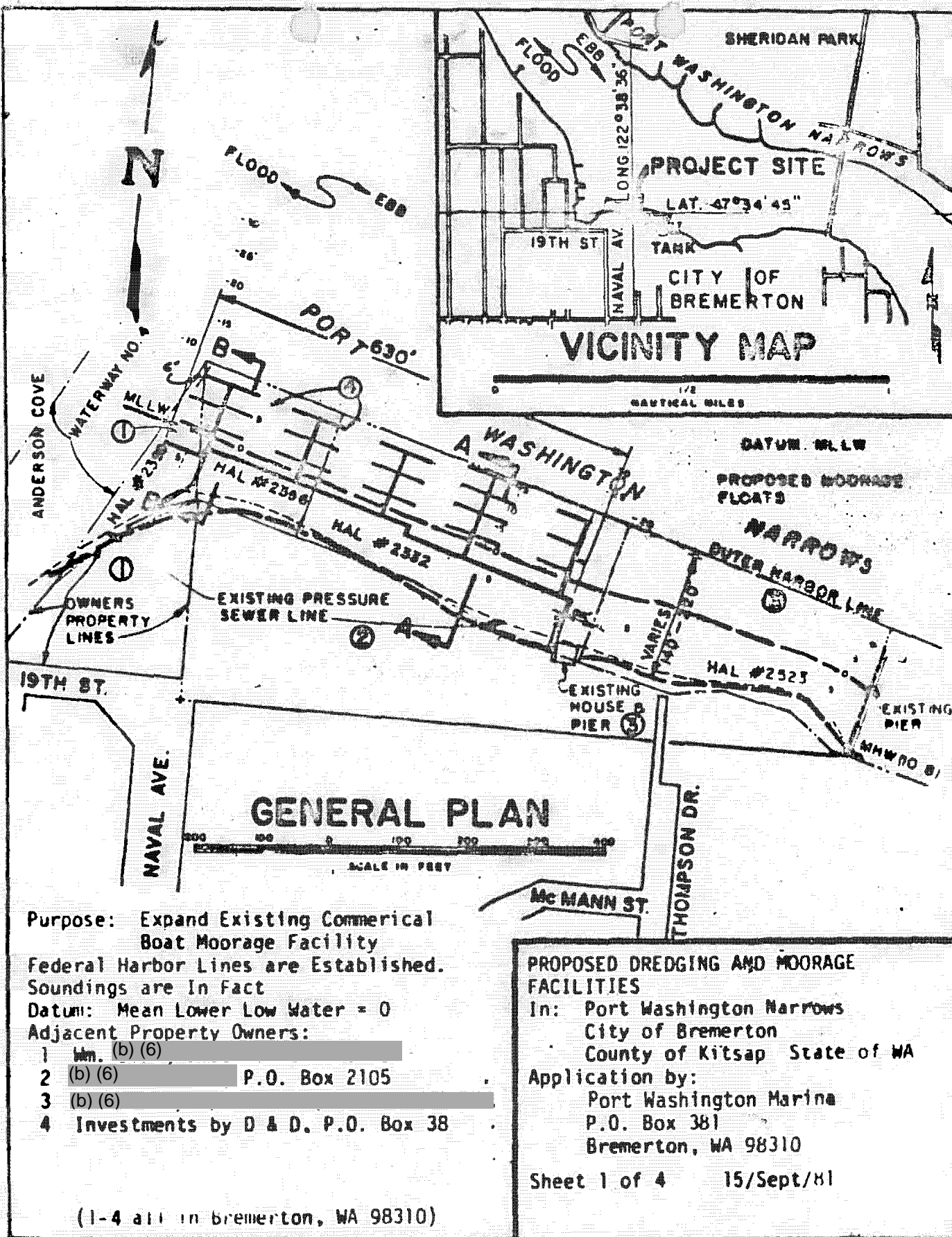
PROPOSED DREDGING, RIPRAP AND MOORAGE FACILITIES

In: Port Washington Narrows
City of Bremerton
County of Kitsap State of WA

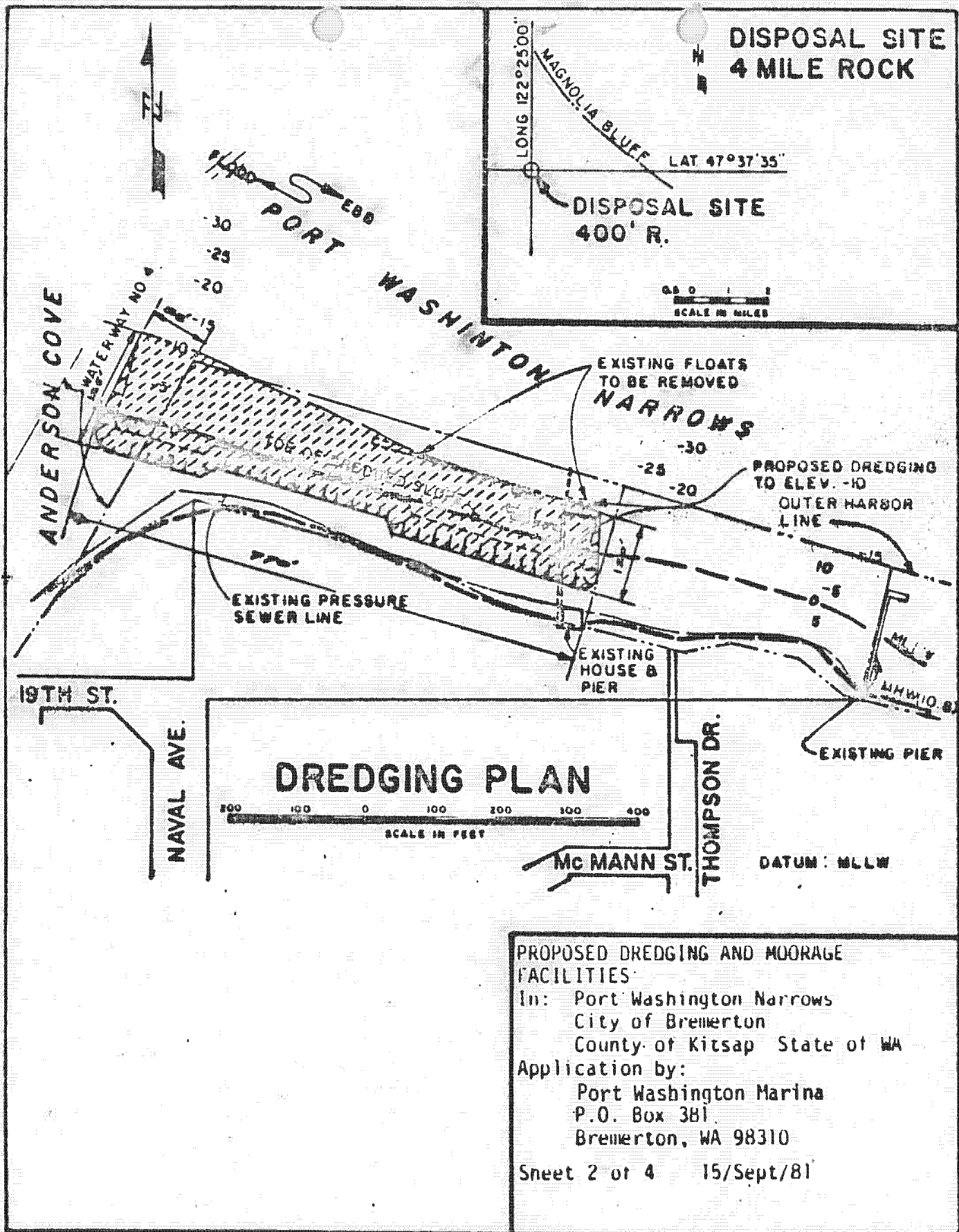
Application by:
Port Washington Marina
P.O. Box 381
Bremerton, WA 98310

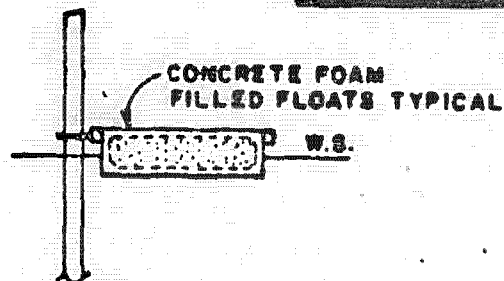
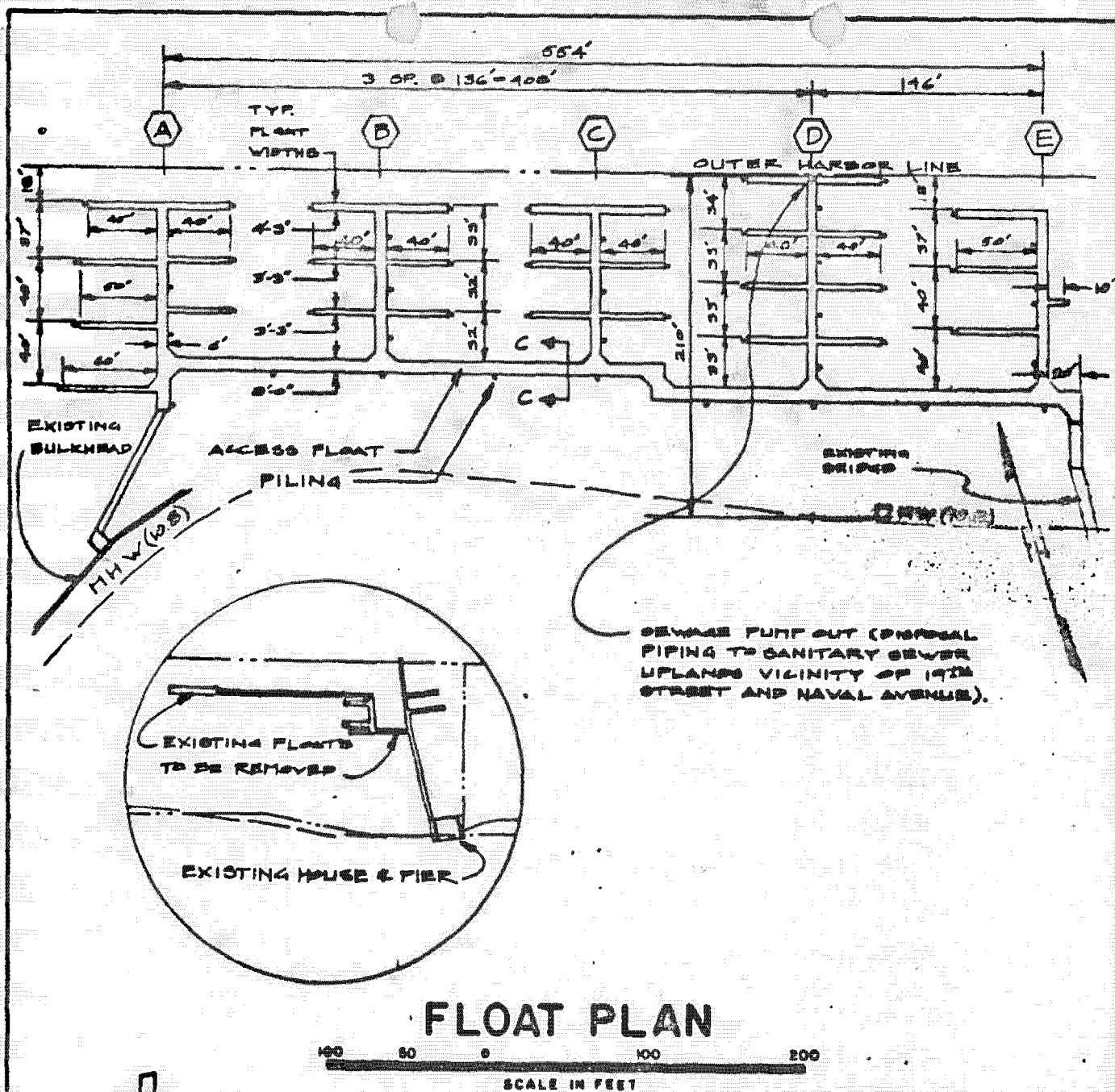
Bremerton 4 of 4 15/Sept/81





Recd Dec 10 1981
KWA





SECTION C-C

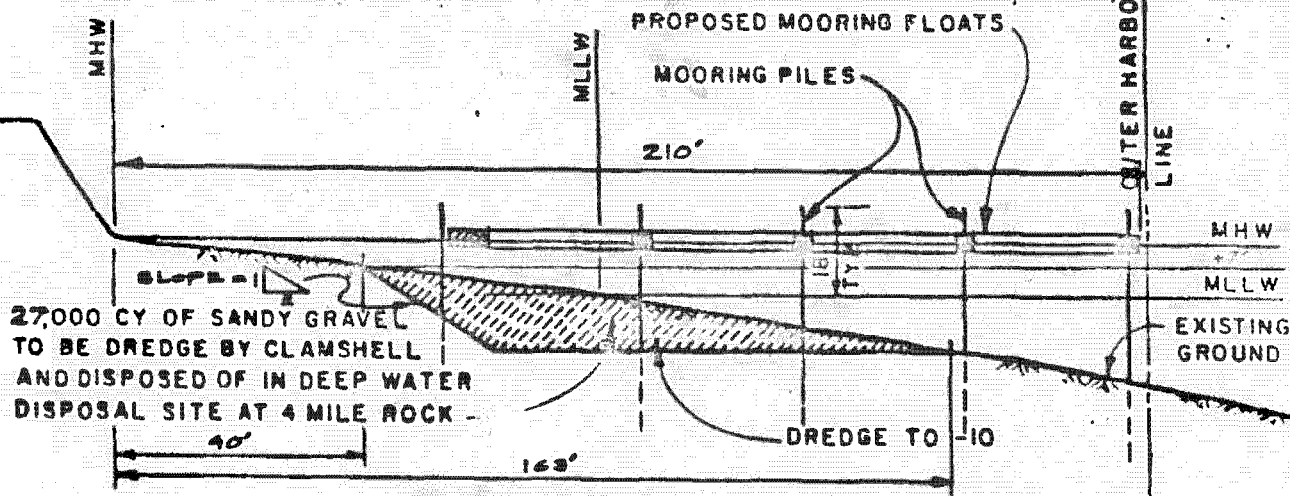


PROPOSED DREDGING AND MOORAGE FACILITIES

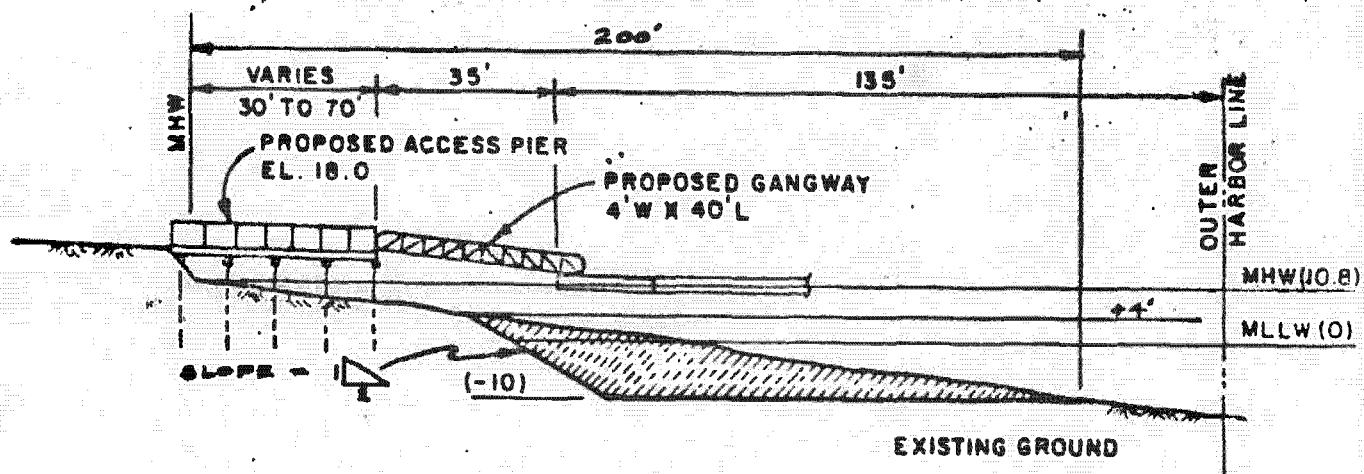
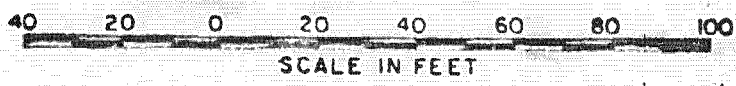
In: Port Washington Narrows
 City of Bremerton
 County of Kitsap State of WA
 Application by:

Port Washington Marina
 P.O. Box 381
 Bremerton, WA 98310

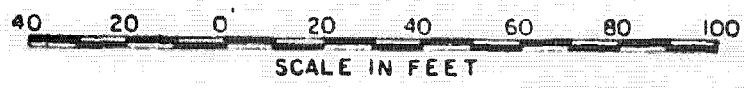
Sheet 3 of 4 15/Sept/81



SECTION A-A



SECTION B-B



PROPOSED DREDGING AND MOORAGE
FACILITIES
In: Port Washington Narrows
City of Bremerton
County of Kitsap State of WA
Application by:
Port Washington Marina
P.O. Box 381
Bremerton, WA 98310
Bremerton 4 of 4 15/Sept/81



Testing Laboratories, Inc.

940 South Harbor Street, Seattle, Washington 98108 (206)767-5060

Chemistry, Microbiology, and Technical Services



Certificate

CLIENT **D & D Investments**
P.O. Box 381
Bremerton, WA 98310
Attn: Glen Davis

LABORATORY NO. **75318**

DATE **Dec. 30, 1981**

REPORT ON **SPOILS**

SAMPLE
IDENTIFICATION

Two Samples Submitted on 12/18/81

TESTS PERFORMED
AND RESULTS

Samples were passed through a No. 8 sieve prior to analysis. Only material passing the sieve was analyzed. Percentages retained were as follows:

	<u>1</u>	<u>2</u>
% Retained	Less/2	7
description	---	Stones

Routine analyses were then performed on the samples with results as follows:

	<u>1</u>	<u>2</u>
	% as received basis	
Total Solids	80.2	78.1
	% dry basis	
Chemical Oxygen Demand	1.2	0.5
Total Volatile Solids	1.4	1.5



This report is submitted for the exclusive use of the person, partnership, or corporation to whom it is addressed. Subsequent use of the name of this company or any member of its staff in connection with the advertising or sale of any product or process will be granted only on contract. This company accepts no responsibility except for the due performance of inspection and/or analysis in good faith and according to the rules of the trade and of science.

DNR-00018827



Testing Laboratories, Inc.

940 South Harney Street, Seattle, Washington 98108 (206) 767-5060

Chemistry, Microbiology, and Technical Services

Certificate

D & D Investments

PAGE NO. 2

LABORATORY NO. 75318

The elutriate test was performed on the samples with results as follows:

parts per billion (ug/L)

	<u>1</u>	<u>2</u>	<u>Background*</u>
Zinc	13	13	3
Mercury	Less/2	Less/2	Less/2
Lead	15	6	Less/5
Copper	25	23	Less/2
Arsenic	37	36	Less/5
Cadmium	Less/2	Less/2	Less/2

The elutriate was examined for the presence of an oil sheen immediately after shaking with results as follows:

	<u>1</u>	<u>2</u>
Oil Sheen	None	None

Respectfully submitted,

LAUCKS TESTING LABORATORIES, INC.

J. M. Owens

J. M. Owens

* Background water was collected by us near Fourmile Rock.

cc: E.P.A., Duane Karna

JMO:dh



This report is submitted for the exclusive use of the person, partnership, or corporation to whom it is addressed. Subsequent use of the name of this company or any member of its staff in connection with the advertising or sale of any product or process will be granted only on contract. This company accepts no responsibility except for the due performance of inspection and/or analysis in good faith and according to the rules of the trade and of science.

DNR-00018828

Response
Letter of Dec 16 1981

RECEIVED

MAR 9 1982

Additional Information
Shoreline Permit
City of Bremerton
Port Washington Marina

City of Bremerton
Planning Dept.

1. Public Access Provisions:

In order to provide a new public access to the beach areas at the marina, the public right-of-way from Thompson Drive to Renn Stroll will be extended down an existing limited access road way to the beach area near the marina office and club house. This access for pedestrian use will include the possibility of wheelchair access.

Access from the level of the existing club house/office will be provided to the existing beach.

Some public fishing use will be possible.

2. The deposit site for the dredged material will be an open water area at Four Mile Rock in Elliott Bay. The disposal area and amount has been included in U.S. Army Corp. of Engineers permit application submitted 28 December 1982.

3. Dredging information:

The necessary dredging will include removal of approx. 27,000 cubic yards of material. This removal will provide an operating depth of 10 feet or 10 feet below the existing mean lower low water level of 0 feet. Cuts will be maintained at a maximum slope of 2 horizontal to 1 vertical.

The removal process will take approx. 3 to 4 weeks of operation with the clamshell/barging system. The hours of work will be 8:00 am to 5:00 pm, Monday thru Friday. The actual dredging/barging work will have very little affect on traffic in Port Washington Narrows.

Turbidity levels in the Narrows should be back to normal within two weeks of the completion of dredging.

The adjacent bedlands at a depth of 5'0" below the surface shows an extremely hard, solid character which will maintain a surface shape.

The disposal area is an open water site at Four Mile Rock in Elliott Bay. This is an approved disposal site.

4. The parking to be provided is situated on an upland commercially zoned property. Surface water will be collected by catchbasins with silt separation chambers then piped for discharge into the Port Washington Narrows.

5. There is no planned removal of any vegetation at the marina site or the parking site.

6. The Environmental checklist has discussed water quality, circulation (flushing action), upland impact, visual quality and environmental-land use effects.
7. There will be no fuel handling or storage as part of the marina.
8. The official guidelines of the Dept. of Natural Resources and Department of Fisheries are being used in the design and planning for the marina. Submittal for preliminary review by the agencies has been made to obtain their preliminary reviews.
9. Collection and disposal of waste, waste water, sanitation facilities, etc., will be coordinated with the State Health Dept., Kitsap County Health Dept. and the City of Bremerton to assure the adherence to all pertinent code provisions.
10. The Port Washington Marina project will not require any new bulkheads or breakwaters. The existing bulkheads will be repaired, etc. as necessary to maintain the original designed use.
11. The proposed signage for the project will consist of one-attached-sign affixed to the remodelled existing office/club house building at the marina. All other markings or signage on the marina will be only that required to locate ship numbers, guest facilities, etc.

Upland signage including public access signage will be in the commercial zoned property near the parking area and is not intended to be visible from the water side.

12. The intent for providing water and sewer services to and from the marina site is to use the Renn Stoll right-of-way to Thompson Avenue. Sewage will be pumped from the marina to the existing city sewer system.

All utility areas out of the developed right-of-way shall be returned to a natural state after construction.

Electric power service to the marina is existing and will be maintained and upgraded.



STATE OF WASHINGTON

OFFICE OF ARCHAEOLOGY AND HISTORIC PRESERVATION

111 West Twenty-First Avenue, KL-11 • Olympia, Washington 98504 • (206) 753-4011

Glenn R. Davis
D & D Investments
P.O. Box 381
Bremerton, WA 98310

Date: December 17, 1981
Log Reference: 278-F-COE-10
Project Title: Marina Expansion

Dear Applicant:

We have reviewed the materials forwarded to us for the above referenced project and would like to make the following comments:

REVIEW RESULTS:

A search of our records, including the National and State Registers of Historic Places and the Washington State Archaeological and Historic Sites Inventories, indicates the following for the project area:

- ☒ project area has not been surveyed for the presence of cultural resources.
- ☐ project area has been surveyed for ☐ historic/☐ archaeological resources:
☐ intensive survey/☐ reconnaissance survey/☐ partial survey.
- ☐ surveys have been conducted in the general vicinity of the project area.
- ☐ sites as noted below have been identified in the project vicinity:
☐ historic sites: ☐ National Register/☐ State Register/☐ Inventory.
☐ archaeological sites: ☐ National Register/☐ State Register/☐ Inventory.
- ☐ known site distributions, ethnohistoric sources, and/or consultation with others indicates that the project area has ☐ high/☐ moderate/☐ low potential for the occurrence of previously unidentified cultural resources.
- ☒ no sites have been recorded in the immediate project vicinity, however, this may be due more to a lack of information than an actual lack of resources; please note above whether or not the project area has been professionally surveyed for cultural resources.

IMPACT ASSESSMENT:

Based on the information provided for our review, we have determined that the proposed project/plan:

- ☐ will have no effect on cultural resources.
- ☐ will have no adverse effect on cultural resources.
- ☐ will have an adverse effect on cultural resources noted below:
- ☐ we do not have sufficient information to determine whether or not the project or proposal will affect cultural resources.

RECOMMENDATIONS:

Based on the results of our records searches, consultations, and the materials provided for our review, we make the following recommendations:

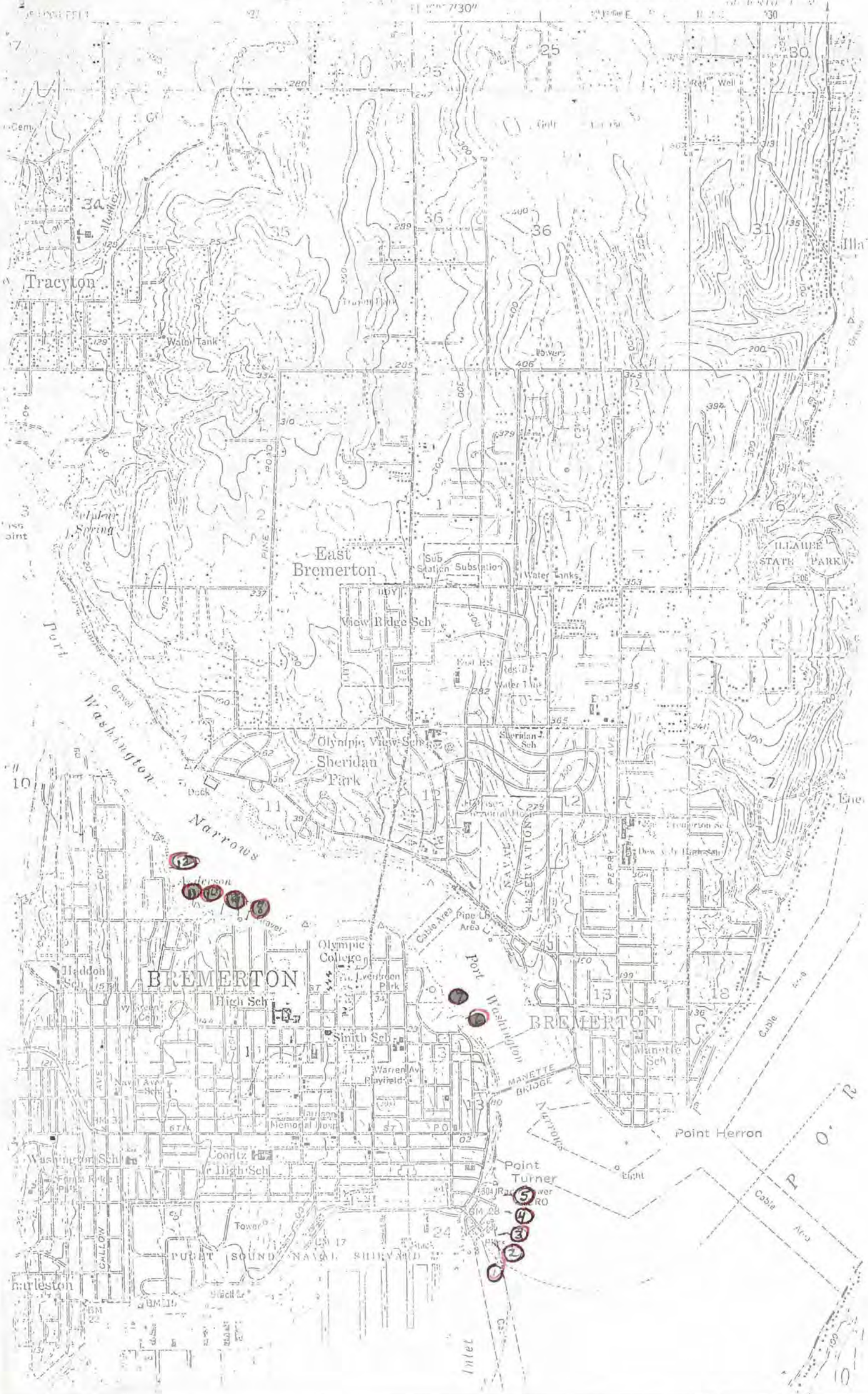
- ☒ no further consideration is necessary at this time.
- ☐ site preparation and other ground disturbing activities should be monitored by a professional archaeologist.
- ☐ professional surveys of the project area should be conducted prior to further action: ☐ historic/☐ archaeological/☐ architectural..
- ☐ resources have been identified as noted above; the current condition of these resources and the potential for impact to them should be professionally assessed prior to further action.
- ☐ a plan to adequately mitigate anticipated impacts should be devised in consultation with this office and implemented prior to further action.
- ☐ we do not have sufficient information on which to base recommendations.

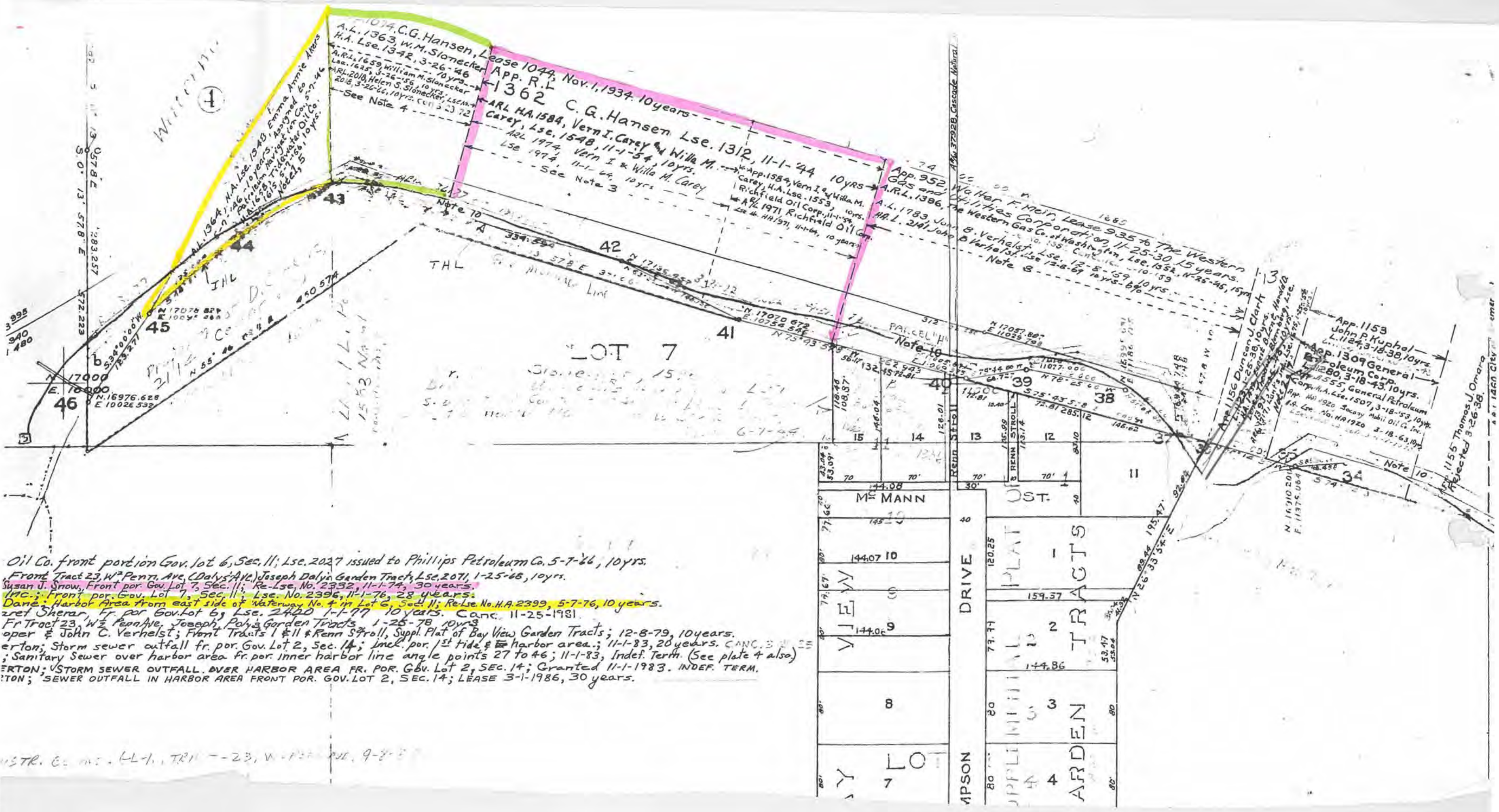
The above comments are based on the information available at the time of this review. Should additional information become available, our assessment may be revised. In the event that cultural materials are inadvertently discovered during construction, work in the immediate vicinity should be discontinued and this office notified. Please indicate the log reference number noted above in further communications concerning this project. A copy of these comments should be included in subsequent environmental documents.

Sincerely,

For *Maria Davies*
Sheila Stump
Archaeologist

db





Oil Co. front portion Gov. lot 6, Sec. 11; Lse. 2027 issued to Phillips Petroleum Co. 5-7-66, 10 yrs.
Front Tract 23, W. Penn. Ave. (Daly's Ave.) Joseph Daly's Garden Tract; Lse. 2071, 1-25-68, 10 yrs.
Susan J. Snow, Front por. Gov. Lot 7, Sec. 11; Re-Lse. No. 2332, 11-1-74, 30 years.
M.C.; Front por. Gov. Lot 7, Sec. 11; Lse. No. 2396, 11-1-76, 28 years.
Danes Harbor Area from east side of Waterway No. 4 in Lot 6, Sec. 11; Re-Lse. No. H.A. 2399, 5-7-76, 10 years.
Front Sherar, Fr. por. Gov. Lot 6, Lse. 2420 1-1-77 10 yrs. Canc. 11-25-1981.
Fr. Tract 23, W. Penn. Ave. Joseph, Poly's Garden Tracts 1-25-78 10 yrs.
oper & John C. Verhelst; Front Tracts 1 & 11 & Renn Stroll, Suppl. Plat of Bay View Garden Tracts; 12-8-79, 10 years.
erton; Storm sewer outfall fr. por. Gov. Lot 2, Sec. 14; Incl. por. 1st tide & harbor area.; 11-1-83, 20 years. C.A.N.C. 3-1-83
; Sanitary Sewer over harbor area fr. por. inner harbor line angle points 27 to 46; 11-1-83, Indef. Term. (See plate 4 also.)
ERTON; STORM SEWER OUTFALL OVER HARBOR AREA FR. POR. GOV. LOT 2, SEC. 14; Granted 11-1-1983. INDEF. TERM.
ERTON; SEWER OUTFALL IN HARBOR AREA FRONT POR. GOV. LOT 2, SEC. 14; LEASE 3-1-1986, 30 years.

1578. C. G. Hansen, Lease 1044, Nov. 1, 1934, 10 years.